

# DAILY REPORT

## Asia & Pacific

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MINISTERS AGREE ON 7 PERCENT DEFENSE SPENDING HIKE

OW260139 Tokyo KYODO in English 0133 GMT 26 Jul 85

[Text] Tokyo, July 26 KYODO -- Japan's defense spending is likely to register a high level of increase for the second straight year in fiscal 1986 after tentative agreement was reached between Finance Minister Noboru Takeshita and Defense Agency chief Koichi Kato Early Friday morning to raise it by 7 percent to 3,357 billion yen. This compares with a 4.1 percent defense budget hike proposed by the finance minister, who favored a lower figure in view of the government policy of pushing financial austerity to reduce the mounting budget deficit. Defense spending shot up 6.9 percent in the current fiscal year which began in April against a 3.7 percent increase in the overall national budget.

The agreement on a 7 percent defense spending raise was reached at the end of three rounds of negotiations between Takeshita and Kato which lasted from Thursday evening into early Friday morning. In the negotiations, Kato reportedly pressed for a substantial increase in the defense budget, saying Japan should demonstrate serious efforts to build up its national defense as a member of the free world.

Senior government and ruling Liberal-Democratic Party (LDP) officials also favor a sizable increase in defense spending to show "consideration" for the wishes of the United States. Defense Agency officials also note that fiscal 1986 marks the start of Japan's next five-year defense buildup program. In June, the U.S. Senate adopted an 88-7 resolution, calling for Japan to make even greater efforts to build up its national defense. The resolution came the day after Kato met U.S. Defense Secretary Caspar Weinberger in Washington in Japan-U.S. summit defense negotiations.

As usual, defense spending is the center of attention in working out a national budget which is expected to be compiled toward the end of this year. For years, opposition parties have opposed a high level of increase in defense spending and Finance Ministry officials are concerned that a 7 percent raise may push it beyond the limit set in a 1976 government decision to keep defense expenditure below 1 percent of Japan's gross national product (GNP).

The 3,137 billion yen defense budget for the current year represents 0.998 percent of estimated GNP for the year. Defense spending is likely to exceed the psychological 1 percent GNP barrier if it is raised by more than 6.8 percent next year, according to Finance Ministry officials. Prime Minister Yasuhiro Nakasone, himself a former Defense Agency chief, has reportedly decided to review the GNP 1 percent ceiling. Kato told reporters early Friday morning that he still favors the idea of holding Japan's defense spending to less than 1 percent of GNP.

LDP PANEL WARNS NAKASONE ON DEFENSE SPENDING

OW251039 Tokyo KYODO in English 1031 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- The top advisory panel of the ruling Liberal-Democratic Party (LDP) sternly warned Prime Minister Yasuhiro Nakasone Thursday to be more careful in handling defense outlays for the fiscal 1986 budget, saying the Japanese people take it for granted that the government will keep the defense budget within 1 percent of gross national product (GNP). The warning was apparently in response to Nakasone's remark earlier this week that the defense budget for fiscal 1986 will top 1 percent of GNP, and that the current five-year-defense plan designated by the Defense Agency should be upgraded as Japan's official defense policy.



Nakasone reportedly told the supreme advisors that he has decided to hold an extraordinary Diet session this fall in a bid to deliberate bills on public employees' pension reform and to correct the disparity of vote value in seats of the House of Representatives. The LDP supreme advisors panel, which meets irregularly, comprises senior party figures such as former premiers and speakers and presidents of both houses of the Diet.

#### ABE HOPES FOR NEW ODA PROGRAM BY YEAR-END

OW260439 Tokyo KYODO in English 0410 GMT 26 Jul 85

[Text] Tokyo, July 26 KYODO -- Foreign Minister Shintaro Abe said Friday his ministry intends to work out a seven-year official development assistance (ODA) program before the end of this year. After winning a 10 percent boost in ODA for the next fiscal year in talks Thursday night with Finance Minister Noboru Takeshita, Abe underscored ODA's importance to alleviate trade friction and to carry out what he called "our country's international responsibility." Asked when the Foreign Ministry will draw up a detailed seven-year ODA program starting April 1, 1986, Abe hinted at a news conference, "We may decide on that even before the year-end."

Under persistent requests from the Foreign Ministry, the Finance Ministry reluctantly agreed to increase Japan's fiscal 1986 ODA by 10 percent or some 58 billion yen over the current fiscal year that began April 1. Abe, one of the aspirants for the premiership, personally pleaded with Takeshita, a longtime friend and a rival for the No. 1 post, for a double-digit increase in ODA, arguing that such an increase is needed for him to conduct Japan's "peace diplomacy." Foreign Ministry officials said the new ODA program will call for doubling the nation's ODA from the calendar year 1985 level of 4.3 billion dollars over the seven-year period. Under the present five-year ODA program, Japan has allocated an estimated 2.4 billion yen in the fiscal 1981-85 period for an "achievement ratio" of 98 percent against the doubling target in yen terms.

Commenting on the projected 10 percent rise in ODA for fiscal 1986, Foreign Minister Abe said he is fairly satisfied with it in view of the government's austere budget which is expected to keep an increase of defense spending, another major feature of the budget program, to around 7 percent. Abe also reiterated that the government's defense spending policy limits the nation's defense outlays to within 1 percent of gross national product (GNP) despite moves by Prime Minister Yasuhiro Nakasone to implement a new defense program. Shin Kanemaru, secretary general of the ruling Liberal-Democratic Party, former Premier Takeo Fukuda and senior party leaders warned Nakasone Thursday that such a new program may top the 1 percent ceiling.

#### U.S. AMBASSADOR MEETS NAKASONE ON TRADE ISSUE

OW251005 Tokyo KYODO in English 1001 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- U.S. Ambassador Mike Mansfield made a personal plea in a meeting with Prime Minister Yasuhiro Nakasone in Tokyo on Thursday for last-minute efforts to make the imminent action program of Japanese market-opening measures comprehensive enough to counter protectionist sentiment in the U.S. Congress. In response to the renewed American request, Nakasone promised Mansfield that he will continue to work laboriously to make the action program substantial, according to a Foreign Ministry spokesman. The Japanese Government hopes the action program, to be announced next Tuesday, will fend off overseas criticism of Japan's tariff and nontariff barriers, which are alleged to be responsible for the trade imbalance with the United States, the European Community and other trading partners.

Mansfield, a former Senate majority leader, reportedly said in a meeting at Nakasone's official residence that he is deeply worried about a bill introduced in the U.S. Congress by powerful Democrats calling for a 25 percent additional tariff on exports from Japan, Brazil, Taiwan, and South Korea, all of which have sizable trade surpluses with the United States. The proposed legislation, the ambassador added, is more worrisome than another bill, submitted by Sen. John Danforth, (R., Missouri), designed to limit Japanese exports if Japan fails to buy specific additional amounts of U.S. products. The Foreign Ministry spokesman said Mansfield spoke of the Reagan administration's weakening ability to fight growing protectionism in Congress, which has called for punitive steps against Japan to reduce the U.S. trade deficit. Japan enjoyed a trade surplus of 36.8 billion dollars with the United States last year. Mansfield said the trade imbalance may reach 47 billion dollars or more this year, the spokesman told reporters.

Thanking the U.S. Administration for its fight against protectionism, Nakasone expressed the hope that the U.S. Congress would deal with the trade problem with "a broad perspective" in the light of the global consequences its actions might cause, the spokesman said. The American envoy agreed that trade is a "two-way street" and that the trade dispute will not be settled in a year or two. After the Nakasone-Mansfield meeting, senior Foreign Ministry officials said they believe that protectionist legislation will not be passed in the U.S. before this summer but that protectionist sentiment will mount further after the summer vacations.

#### Envoy to U.S. Echoes Mansfield

OW251231 Tokyo KYODO in English 1224 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- Nobuo Matsunaga, Japan's ambassador to the United States, told Prime Minister Yasuhiro Nakasone at his official residence on Thursday that Japan should immediately boost its domestic demand as well as taking market-opening measures. Matsunaga, who has returned from Washington to brief government leaders on protectionist moves in the U.S. Congress, told Nakasone it appears likely that legislation imposing a surcharge on Japanese imports will be passed in September. He also stressed the need for market-opening measures involving improvements of standards and certification procedures on imported goods. Matsunaga said the U.S. is becoming increasingly frustrated over its trade imbalance with Japan, and will closely examine the action program due to be announced July 30.

#### Further Tariff Cuts Urged

OW250739 Tokyo KYODO in English 0645 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- Nobuo Matsunaga, ambassador to the United States, Thursday urged Moriyoshi Sato, minister of agriculture, forestry and fisheries, to further reduce tariffs on chocolates and forestry products, which are strongly demanded by the U.S. according to government officials. The ambassador, who returned home from the U.S., warned that U.S. irritation over the huge trade deficit with Japan is mounting mainly in the Congress, as this year's deficit is estimated to reach 45-50 billion dollars, compared with around 35 billion dollars last year, the officials said.

Sato explained to Matsunaga that tariff cut on forestry products including coniferous lywood, whose tariffs have remained at 15 percent for nearly 20 years, is possible only after protective measures for the domestic forestry industry are taken. Sato also opposed a tariff cut on chocolates, saying, "Japanese confectioners are using more expensive sugar than American makers because of Japan's price-support system." The Japanese Government reduced tariffs on chocolates to 20 percent from 31.5 percent and sugar consumer tax only for confectioners to 3 yen per kilogram from 16 yen in April, 1984. Matsunaga stressed the necessity of diminishing the number of JAS (Japan agricultural standards) items, introducing self-certification system for fertilizers and feed and abolishing residual import restrictions, they said.



U.S. SEEKS COOPERATION IN X-RAY LASER R&D

OW250423 Tokyo NHK Television Network in Japanese 1000 GMT 24 Jul 85

[Text] At a time when Japan's high technology is the focus of world attention, it has been learned that a U.S. national research institute has secretly asked Tokyo University's Institute for Solid State Physics for cooperation in the research and development of the x-ray laser. The x-ray laser is said to make up an important part of the U.S. Strategic Defense Initiative -- SDI.

According to a government source, John Emmett, deputy director of the U.S. Lawrence Livermore Laboratory, personally called the Tokyo University Institute for Solid State Physics last month to ask for its cooperation. The Lawrence Livermore Laboratory is conducting R&D programs primarily related to core elements of the SDI, or the so-called "star wars" plan; and the Tokyo University institute is reputed to be among the world's best in X-ray laser research.

In a letter that subsequently followed, the United States specifically asked that the university institute provide information on the device that generates X-ray lasers and data on experiments conducted to date by the institute. X-ray lasers have very short wavelengths compared with ordinary laser rays, making it possible to direct high-energy lasers at targets hundreds of kilometers away. For this reason, U.S. research follows the SDI concept of using it as a core weapon to destroy nuclear missiles.

The United States has already succeeded in generating X-ray lasers using nuclear explosions. However, since there is strong criticism of the possible contamination of outer space by means of radioactivity, it is believed that the United States sought the cooperation of the Tokyo University Institute for Solid State Physics, which is researching methods of producing X-ray lasers without using nuclear energy.

[Begin recorded interview with Associate Professor Hiroto Kuroda of Tokyo University Institute for Solid State Physics]

X-ray lasers are a long cherished dream of those of us who study laser physics. Take cancer for example. The X-ray laser would make possible to conduct a bloodless operation on a cancer victim while taking a tomogram of the body. In this sense, there is a strong likelihood that it might bring about very dramatic changes in science and technology as we know it. The possibility of X-ray laser development for peaceful uses is being discussed, which is one of many possibilities. However, as far as we are concerned, when it comes to X-ray laser or any other research and development, we should reach a public consensus before deciding the methods of research and the uses that will be made of that research. [end recorded interview]

Meanwhile, MITI has made the following comment:

Concerning the U.S. SDI program, all that the prime minister said was that he showed an understanding of it without making any commitment as to whether or not to cooperate. Therefore, the government is still undecided, and we cannot make any comment. However, the current U.S. request is not a request between governments, but one for cooperation between research organizations. At the present stage, it is a purely academic contact; therefore, it is not something the government should meddle in.

USSR TO BUY EDUCATIONAL COMPUTER SYSTEMS

OW550807 Tokyo KYODO in English 0719 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- The Soviet Union's Computer Import Corp. gave a 300 million yen order for personal computer systems for educational use to Star Micronics Co., Japan's leading computer printer maker, a Star Micronics spokesman said Thursday.



Under the contract with V/O Electronorgtechnica of the Soviet Union, the Shizuoka-based company will export 4,000 Gemini-Iox printers to be combined with 4,000 personal computers it will purchase from a Japanese major computer maker, whose name the spokesman declined to disclose.

The deal is Japan's first computer export to the Soviet Union since COCOM lifted its ban on export of 8-bit or smaller personal computers last January. COCOM is a Paris-based agency set up by 15 Western nations including Japan and the U.S. to screen sophisticated technology exports to communist countries.

The Soviet Union is planning to import some 1 million personal computer systems to educate its middle school students to become engineers, technicians or academics in the future, he said. The state-run corporation picked up Star Micronics because it was pleased with software the Japanese firm shipped to the Soviet Union in May when it exported 200 computer printers, the spokesman said. Electronorgtechnica is also expected to buy an additional 100,000 personal computer systems from Star Micronics, he said. The Japanese firm plans to set up a maintenance center for the computers in Moscow to strengthen business ties with the Soviet Union, he said.

#### MITI, INDUSTRY SEE NO EFFECTS IN OPEC PRICE CUT

OW251311 Tokyo KYODO in English 1255 GMT 25 Jul 85

[Text] Tokyo, July 25 KYODO -- OPEC price cuts on crude oil will have little impact on Japan's imports from the oil cartel, officials of the Ministry of International Trade and Industry (MITI) and the Japanese oil industry said Thursday. They made the comment on news that the organization of petroleum exporting countries had decided in majority agreement the same day to cut heavy crude prices by 50 cents a barrel and medium crude prices by 20 cents.

Iran, Libya and Algeria did not support the majority decision of the 13-member cartel. MITI and the Japanese oil industry sources agreed almost unanimously that the price cuts amount to a temporary "compromise" within OPEC and not a solution to problems on the cartel's crude oil pricing system. The decision will not stabilize the world oil market, which will remain volatile, they said.

PAPER CONDEMNS CHON'S REMARKS ON WAR PREVENTION

SK26055 Pyongyang Domestic Service in Korean 2152 GMT 25 Jul 85

[NODONG SINMUN 26 July comentary: "In Order To Disguise Himself as a Pacifist"]

[Text] Recently, the puppet Chon Tu-hwan raved that someone is responsible for aggravating the tensions on the Korean peninsula. He also said that prevention of war on the Korean peninsula is an urgent task and he would make all efforts for this and would not refuse dialogue for peace in any case. His remarks are shameless utterances reversing black and white.

The man who is responsible for straining the situation by instigating hostile confrontation within the country and staging powder-reeking anticommunist war rackets is not entitled to make a remark on the prevention of war and dialogue for peace. His utterances are aimed at slandering our efforts for peace and disgusting himself as a pacifist. While making remarks on the prevention of war, the puppet Chon Tu-hwan is continuously strengthening war capabilities. He has reorganized the Armed Forces as a whole into offensive type forces and deployed them in the forward area near the Military Demarcation Line.

The fact that the violations of the Armistice Agreement committed by the U.S. imperialists and the puppet clique since the conclusion of the armistice to the end of last May number more than 412,000 cases, show that the ringleaders who aggravate tensions in Korea and increase the danger of war are none other than the U.S. imperialists and the puppets.

We have consistently called for practical measures to prevent the danger of war and relax tensions on the Korean peninsula, thus striving to realize them. However, the puppets have refused our peace proposals branding them as camouflaged peace and accelerated war preparations.

We put forth a proposal for North-South parliamentary talks, calling for the publication of a joint declaration of nonaggression in order to relax tensions between the North and the South and to promote national harmony and trust. However, the puppets made an incoherent response to this, raving that a unified constitution should be formulated.

North-South parliamentary talks are authoritative political talks capable of taking effective measures for preserving the peace of the nation and achieving national reunification, reflecting the will of a broad range of the people from all walks of life and political and public organizations in the North and the South.

They ignored such an important and urgent question, related to national existence, as relaxing tensions while raving that the prevention of war is an urgent task. This showed that they do not want dialogue for peace. They opposed the publication of a joint declaration of nonaggression at North-South parliamentary talks. What on earth is their aim for dialogue?

The puppets' acts and remarks are inconsistent. The puppet Chon Tu-hwan's remarks on prevention of war, dialogue for peace, and so forth are aimed at concealing his bellicose nature and disguising himself as a pacifist.



The puppets should renounce dashing along the road of military adventurism, hanging out a signboard of dialogue, and should give up their position of confrontation and new war provocation maneuvers. They can never persuade anyone with such empty words. If the puppets truly want to hold dialogue for peace, they should show their sincerity by responding to our peace proposal.

#### VRPR DENOUNCES UNITED STATES' TWO KOREAS POLICY

SK251318 (Clandestine) Voice of the RPR in Korean 0300 GMT 25 Jul 85

[Talk from the "Midday Class" program by announcer Kim Chol-min: "An End to the U.S. Two Koreas Policy and Its Interference in Internal Affairs Is a Prerequisite for National Reunification"]

[Text] The supreme task of our nation is reunifying the divided fatherland. Only when the fatherland is reunified can the ruptured national bonds of blood be reconnected, the dignity and value of the homogeneous nation be made to shine, and the nation enjoy prosperity, flourishing, and happiness as an independent nation. The pain and misery, from which we have suffered due to division forced upon us by others, cannot be measured. As time has passed we have more keenly felt the immeasurable tragedy caused by division and the urgency of reunification. For a long period of 40 years of division our masses have trod a thorny path of ordeal stained with blood, always aspiring for national reunification.

However, the road to reunification is still not opened and the danger of permanent national division is further increasing. What is blocking the realization of reunification, for which we are eagerly aspiring? I want to think over this question with you.

Correctly perceiving the factor hindering national reunification is of vital significance in taking a course for the reunification movement and in pioneering the future road for independent reunification. Our historical experience in the movement for reunification eloquently shows that the realization of reunification is impossible without removing the factors hindering national reunification. The basic obstacle to independent and peaceful reunification, for which our nation ardently aspires, is the two Koreas policy of the United States and its interference in internal affairs. The fundamental strategy of the U.S. policy toward South Korea is dividing our country into the North and South and making it two states. The invariable policy of the United States is perpetuating the division of the Korean peninsula and maintaining South Korea as the frontal base of the strategy toward Asia in order to secure the right to domination over Asia and the Pacific.

In his speech delivered at the National Assembly in 1983 when he visited South Korea, Reagan clamored about the separate entry of South Korea into the United Nations and the cross-recognition of North and South, saying that he acknowledged the reality that two states exist on the Korean peninsula. The Reagan administration is asserting the policy of two Koreas. This is not a new fact. There are deep historical roots to this assertion.

In the 1950's when the U.S. global strategy was gravely frustrated after World War II, the U.S. political sector began working out a plan for the two Koreas policy. Since the Nixon doctrine was announced in the 1970's, the two Koreas policy of the United States has been further consolidated.

The two Koreas policy of the United States is a splittist policy aimed at permanently dividing our nation, a homogeneous nation, into two and at continuing the permanent occupation and domination of South Korea. The United States is scheming to permanently divide our country into the North and South and dominate South Korea as its colonial and military base forever.



The U.S. Administration, which has been maintained by Nixon, Ford, Carter, and Reagan, has mapped out diplomatic plots and tricks in many ways to cook up two Koreas, talking about simultaneous entry into the United Nations and the cross-recognition of North and South, and has actively mobilized their subordinate allies and followers to the fabrication of two Koreas. The maneuvers of the United States to fabricate two Koreas are, in essence, aimed at making two states, originally one unified state, a fait accompli and, thus, winning international recognition of this and at making the divided North and South two hostile countries in confrontation with each other and, thus, achieving its purpose for aggression.

The pro-U.S. regime of South Korea has found a way out from the two Koreas policy of the United States. In June 1973, the Pak Chong-hui fascist regime betrayed the 4 July North-South joint statement, reflecting the 3-point principle of independence peaceful reunification, and great national unity and announced the so-called 23 June special statement at the instigation of the United States and Japan, thereby openly adopting the fabrication of the two Koreas policy.

Since the inauguration of the Chon Tu-hwan military dictatorship, these antinational maneuvers have been further intensified and have been more viciously perpetrated in the form of the line of North-South confrontation. The Chon Tu-hwan military dictatorship has further intensified anticommunist confrontation rackets and war policy than ever before, being hostile to the nation and saying that there is only confrontation with the North.

The Chon Tu-hwan military dictatorship's line of anti-North confrontation and division is the result of the two Koreas policy of the United States.

We cannot tolerate the two Koreas policy of splittists at home and abroad who are challenging national reunification and national aspirations and are trying to perpetuate tragic national division. Putting an end to the two Koreas policy of the United States and interference in internal affairs is a mission assigned to our masses by national history and a prerequisite for the independent and peaceful reunification of the fatherland.

How should we work to put an end to the two Koreas policy of the United States and interference in internal affairs? I would like to think about this question with you.

Our struggle to check the maneuvers of the United States to cook up two Koreas should be waged in the form of struggle to oppose the U.S. permanent occupation and domination of South Korea. Our struggle against the line of two Koreas should also be waged in the form of struggle to check maneuvers for North-South confrontation and war which the Chon Tu-hwan military fascist dictatorship is viciously perpetrating under the manipulation of the United States.

The two Koreas policy of the United States and interference in internal affairs cannot be ended without eliminating South Korea's pro-U.S. regime, which is finding a means to attain for a long-term power and the maintaining its life from antinational splittist maneuvers and the policy of depending on the United States. A primary goal in our struggle to terminate the two Koreas policy of the United States and interference in domestic affairs is eliminating the pro-U.S. flunkeyist regime along with forcing the U.S. troops to withdraw from South Korea.

The U.S. troops in South Korea are a decisive force to realize the U.S. policy toward South Korea and a military lever for domination over South Korea. The division of our nation began with the occupation of South Korea by the U.S. troops, and the division of our country and the suffering and misery of countrymen are caused by them.

The U.S. troops are bolstering, with strength, U.S. domination over South Korea and maintaining and defending the pro-U.S. flunkeyist fascist and dictatorial regime.

The U.S. domination of South Korea and its state interests are guaranteed by the division of the Korean peninsula and its continuation. The substantive force, which realizes the division of the Korean peninsula and the continuation of national division in accordance with the logic of strength, are the U.S. troops in South Korea. The U.S. troops are bolstering the two Koreas policy of the United States with strength. Therefore, our struggle to put an end to the two Koreas policy of the United States and its interference in internal affairs should be concentrated on forcing the U.S. troops to withdraw from South Korea.

#### YI TAE-HO HOSTS RECEPTION ON WAR ANNIVERSARY

SK260351 Pyongyang KCNA in English 0333 GMT 26 Jul 85

[Text] Pyongyang July 26 (KCNA) — Major General Yi Tae-ho, senior member of our side to the Military Armistice Commission, hosted a reception on July 25 to mark the 32nd anniversary of the victory of the Korean people in the great Fatherland Liberation War. Invited to the reception were the member of the Chinese People's Volunteers to Korean-Chinese side, staffers of the CPV Liaison Office, the Czechoslovak, Polish, Swiss and Swedish members and staffers of the Neutral Nations Supervisory Commission. Speeches were made there. A friendly atmosphere prevailed throughout the reception.

#### SUPPRESSION OF STUDENT MOVEMENT IN SOUTH DECRIED

SK260232 Pyongyang Domestic Service in Korean 1150 GMT 20 Jul 85

[Commentary by station commentator Cho Tu-ul: "Desperate Reactionary Offensive"]

[Text] According to reports, following the announcement on 18 July of the so-called results of the investigation into the Struggle Committee To Reunify the Nation, Win Democracy, and Liberate the Masses [Sammin Struggle Committee], the puppets are frantically kicking up rackets of suppression, including the strengthening of the exclusive investigation team to arrest 22 persons involved in the Sammin Struggle Committee, and the expansion of the investigation into other organizations which are believed to have manipulated the Sammin Struggle Committee behind the scenes. This is another desperate reactionary offensive against the South Korean patriotic students and democratic forces; an unforgivable challenge to the South Korean people's ardent desire for independence, democracy, and reunification; and a fascist violent act which again clearly shows the puppets' antinational, antidemocratic, and traitorous nature.

As has been reported, the puppets revealed their vicious ulterior motive of severely punishing the students, who joined the Sammin Struggle Committee, because the committee regards the protection of national independence, the winning of democracy, and the liberation of the masses as its objectives, while asserting that the masses must become the master of society and that reunification will be realized only when the United States withdraws. This is really a nation-selling and fascist act of violence against patriotism.

The students' struggle to realize national independence, win democracy, and liberate the masses is a very righteous struggle based upon a serious lesson learned from the harsh colonial, military, and fascist rule over South Korea by the U.S. imperialists and their running dogs, which has lasted 40 years.



The 40 years of colonial, military, and fascist rule by the U.S. imperialists and their running dogs has turned South Korea into a colonial military base for the U.S. imperialists' tactics and strategies and into their complete military adjunct. It has also brought about nothing but the violation of the South Korean people's national independence and dignity, the severest abolition of democratic rights and civil rights, excessive economic submission, and dire mass poverty. It is crystal-clear to everyone that as long as the U.S. imperialists continue to build a nest in South Korea and as long as their colonial, military, and fascist rule continues, national independence and dignity, the democratization of society, and the people's existence will not be guaranteed and the question of national reunification -- the nation's greatest desire -- will not be resolved.

In this respect, the South Korean youths and students have waged an adamant anti-U.S. and antidictatorial struggle for independence and democratization, while putting forth such slogans as national independence, the winning of democracy, and the liberation of the masses. Their struggle is an expression of their burning patriotism to save the nation's destiny, facing an emergency because of the colonial, military, and fascist rule of the U.S. imperialists and their running dogs, and to find a way to realize national renaissance; it also is a righteous struggle to do their duty as young intellectuals. However, the puppets are openly revealing their vicious ulterior motive of brutally punishing the students under the notorious National Security Act and other evil laws and are frantically maneuvering to arrest and imprison more patriotic students and democratic figures. By doing this, the puppets are openly revealing their vicious antinational, antidemocratic, and traitorous nature to the world.

The students rose in a holy struggle to regain national dignity, trampled underfoot by the foreign forces, by sacrificing even the heyday of their youth and their lives. However, the puppets are randomly wielding power and struggling to more severely suppress the youths and students, who cry for the love of the country and the nation. Only the vicious traitorous group, which is completely devoid of national conscience and reason, and which is a toadyist and a nation-seller to the core, can commit such a brutal antinational and antidemocratic criminal act in the presence of our nation and the world. However, this is a very foolish desperate maneuver to block the trend of history.

The puppets may arrest some patriotic students, but they cannot obliterate truth or block the anti-U.S. and antidictatorial spirit of the fervent and patriotic South Korean youths and students. As long as the South Korean youths, students, and people clearly recognize, through personal experiences, the reactionary and unlawful nature of the vicious colonial, military, and fascist rule over South Korea by the U.S. imperialists and their running dogs, the expansion and development of the anti-U.S. and antidictatorial struggle is inevitable. The struggle is the trend of the times, which nothing can stop.

The puppets must not act recklessly, but instead clearly see the trend of the times and immediately release all arrested and imprisoned patriotic students.

#### DELEGATION LEAVES FOR USSR WORLD YOUTH FESTIVAL

SK251104 Pyongyang KCNA in English 1035 GMT 25 Jul 85

[Text] Pyongyang July 25 (KCNA) -- A Korean youth and students delegation headed by Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth of Korea, left Pyongyang Thursday by air to attend the 12th world youth and students festival to be held in the Soviet Union.

The delegation consists of model functionaries of the League of Socialist Working Youth selected a LSWY organizations at different levels and representatives of workers, farmers, soldiers, students, artists and sportsmen.



Included in the delegation are Kim Hak-su, chairman of the Central Standing Committee of the League of Korean Youth in Japan, and representatives of Korean youth and students in Japan. It was seen off at the airport by Comrades Kim Chung-nin, Kim Pok-sin, Kang Hui-won and Ho Chong-suk and personages concerned and a large number of youth and students, working people and young artists and sportsmen in Pyongyang. Nikolay Shubnikov, Soviet ambassador to Korea, and his embassy officials also saw off the delegation.

So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee, Chu Chang-jun, O Chae-won and Kum Yu-sun left here today by air to attend the festival as guests of honor.

#### Arrival in Moscow

SK260441 Pyongyang KCNA in English 0403 GMT 26 Jul 85

[Text] Moscow July 25 (KCNA) -- The Korean youth and students delegation headed by Yi Yong-su, chairman of the Central Committee of the League of Socialist Working Youth of Korea, arrived in Moscow on July 25 by air to attend the 12th world youth and students festival in the Soviet Union.

Arriving here are the delegation consisting of model functionaries of the LSWY. Selected at LSWY organisations at different levels and representatives of workers, farmers, soldiers, students, artists and sportsmen over 500 in all, and representatives of Korean youth and students in Japan including Kim Hak-su, chairman of the Central Standing Committee of the League of Korean Youth in Japan.

At the airport Chairman Yi Yong-su issued a statement on the arrival of the Korean youth and students delegation in Moscow. In the statement he noted that the Moscow festival would be an important occasion in strengthening friendship, unity and solidarity among the progressive youth and students of the world and in powerfully inspiring the struggle of the world's peaceloving people and youth to safeguard world peace and security. The Korean youth and students delegation will make all its efforts so that the festival may proceed in the idea and purpose of anti-imperialism, solidarity, peace and friendship, he stated.

On its way to Moscow the delegation stopped over in Novosibirsk. Arriving in Moscow on the same day as guests of honour to the festival were Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee; Chu Chang-chun, member of the WPK Central Committee and director of the Mangyongdae Revolutionary School; and Kim Yu-sun, alternate member of the WPK Central Committee and chairman of the Korean Physical Culture and Sports Guidance Committee.

#### SOVIET VISITORS MARK ANTI-U. S. STRUGGLE MONTH

SK260347 Pyongyang KCNA in English 0326 GMT 26 Jul 85

[Text] Pyongyang July 26 (KCNA) -- Soviet visitors staying in Chongjin held a solidarity meeting on July 24 to support the Korean people's struggle on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

The speakers said that though the Democratic People's Republic of Korea advanced a series of proposals for a peaceful reunification of the country, the South Korean authorities refuse to accept these peace proposals. If the U.S. imperialist aggression forces are withdrawn from South Korea, they said, the long-cherished desire of the Korean people for a peaceful reunification of the country will be realized and one hotbed of a new global war be removed.

The speakers stressed that the Korean people will surely win in their struggle against U.S. imperialism and realise the peaceful reunification of the country. A resolution was adopted at the meeting.

#### NICARAGUAN PRESIDENT MEETS PAK SUNG-IL-LED GROUP

SK260354 Pyongyang KCNA in English 0335 GMT 26 Jul 85

[Text] Pyongyang July 26 (KCNA) -- Daniel Ortega Saavedra, president of Nicaragua, on July 20 met the Korean party and government delegation headed by Pak Sung-il, member of the Central Auditing Commission of the Workers' Party of Korea and chairman of the Commission of Public Welfare, which was visiting the country to attend the celebrations of the 6th anniversary of the victory of the Nicaraguan revolution, according to a report.

The head of the delegation conveyed cordial regards of President Kim Il-song and Comrade Kim Chong-il to President Daniel Ortega Saavedra. The president expressed deep thanks for this and asked the head of the delegation to convey his sincere greetings to President Kim Il-song and Comrade Kim Chong-il. He stated that the Nicaraguan people fully support all the policies pursued by the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il for the independent and peaceful reunification of Korea and express firm solidarity with the Korean people in their struggle all the time. The talk proceeded in a friendly atmosphere.

#### MEETING MARKS ANNIVERSARY OF CUBAN UPRISING

SK260415 Pyongyang KCNA in English 0338 GMT 26 Jul 85

[Text] Pyongyang July 26 (KCNA) -- A meeting was held at the Nampo theatre on July 25 to commemorate the 32nd anniversary of the July 26 armed uprising of the Cuban people. Placed on the platform of the meeting hall were a portrait of the great leader President Kim Il-song and a portrait of Fidel Castro Ruz, the supreme leader of the Cuban people. Choe Chi-son, vice-chairman of the Nampo Municipal Administrative and Economic Guidance Committee, in his speech noted:

The gun report sounded by the righteous-minded sons and daughters of Cuba at Moncada on July 26, 1953, 32 years ago, was a historical event of weighty significance in the Cuban people's struggle for national liberation against the U.S. imperialists and their lackeys and for freedom and liberation.

After the victory of the revolution, he said, the fraternal Cuban people have achieved enormous successes in the building of a new life and socialist construction, repulsing the imperialists' continued moves of aggression, interference and blockage.

We are following with a happy feeling the successful progress of socialist construction in Cuba and express firm solidarity with the Cuban party and government in their struggle to defend peace in Latin America and the rest of the world, he remarked.



He wholeheartedly wished the fraternal Cuban people greater success in their endeavours for greeting the 3rd Congress of the Communist Party of Cuba with excellent success and in their work for the country's prosperity and development.

Gilda Lopez, charge d'affaires ad interim of the Cuban Embassy in Pyongyang, outlined the significance of the raid on the Moncada Barracks, saying that it was a signal calling to a new struggle the Cuban people who had been under the imperialist yoke for nearly half a century. She said that the Cuban working people sternly denounced the new war provocation manoeuvres of the United States creating a grave danger to peace and security on the Korean peninsula. She paid high tribute to the efforts made by comrade President Kim Il-sung for the country's reunification and for peace and security on the Korean peninsula. The Cuban people, she stated, rejoice sincerely over the successes gained by the fraternal Korean people in socialist construction and will for ever continue to expand and develop the friendly relations between the two countries in all fields including politics, economy and culture.

#### INCREASE SEEN IN PRODUCTION OF CONSUMER GOODS

SK251531 Pyongyang KCNA in English 1514 GMT 25 Jul 85

[Text] Pyongyang July 25 (KCNA) -- Daily necessities workshops and workteams are bearing big fruit in production of consumer goods in Korea.

Dear Comrade Kim Chong-il on July 12 saw goods produced at daily necessities workshops of factories and enterprises in all party of the country and highly estimated mass production of daily necessities of good quality. Comrade Kim Chong-il stressed the need to continue with vigorous endeavours to make revolution in light industry for the betterment of the people's lives. He put forward the tasks and ways to produce more daily necessities suited to the people's tastes by correctly operating the already formed daily necessities workshops and workteams, service workteams and home workteams.

Displayed at the exhibition are more than 16,500 articles of over 2,400 kinds among clothes, shoes, domestic goods, kitchen utensils, goods for cultural use and miscellaneous goods of daily use produced at daily necessaried workshops and workteams of the factories and enterprises. All the goods exhibited are associated with the deep consideration of the Workers' Party of Korea to make the people's lives more affluent and civilized. Popular among the displayed goods are all-purpose food processor, all-purpose grater and other good quality kitchen utensils, bicycle, iron, goods for cultural use including musical instruments, tape-recorder and camera and cloth and knit-wears of different kinds.

Comrade Kim Chong-il visited a light industry good exhibition in August last year and indicated the ways to increase the variety of consumer goods and improve their quality. Since then many daily necessities workshops and workteams, home workteams and sideline workteams have been organized at factories, enterprises, cooperative farms and neighbourhood units. Over 700 factories and enterprises have formed the daily necessities workshops and workteams and about 19,000 home workteams and sideline workteams have been organized since August last year. The production of consumer goods at daily necessities workshops and workteams increased 2 times in the first half year compared with the same period last year. Over 7,000-8,000 kinds of consumer goods of good quality are produced in Pyongyang, South Pyongan and North Hamgyong Provinces. Daily necessities made of by-products and wastes from industrial establishments and natural materials are very popular among the people.



UNIFICATION MINISTER ON RANGE OF NORTH-SOUTH TALKS

SK260713 Seoul YONHAP in English 0656 GMT 26 Jul 85

[Text] Seoul, July 26 (PANA-YONHAP) -- Yi Se-ki, South Korean unification minister, said Friday that he expects inter-Korean culture talks, as well as a South-North sports conference, to be held in the near future. His statement was the first by a South Korean Government minister about the possibility of holding inter-Korean culture talks. Yi made the remarks in a speech at a "Meeting of Unification Dialogue" at Rheju University on Korea's southernmost island, Cheju-do, on Friday morning.

In his speech about the on going inter-Korean dialogue, the minister said that the South Korean Government plans to participate in inter-Korean sports talks, to be held later this year in Lausanne, Switzerland. The International Olympic Committee (IOC) will preside over the talks.

On July 24, IOC announced that South and North Korea had accepted an IOC invitation to meet in Lausanne before the end of 1985 to discuss the 1988 Olympic Games and other matters concerning sports. Inter-Korean negotiations for the establishment of a joint Korean Olympic team broke down after the third meeting, held in the truce village of Panmunjom in April, 1984.

If Pyongyang accepts Seoul's proposal to hold a meeting of government authorities, the two sides will be able to discuss how to alleviate tensions in the Korean peninsula, including the drafting of a non-aggression pact, thereby preventing the recurrence of war on the peninsula, Yi said. North Korea suggested that the proposed inter-Korean parliamentary talks be used for the drafting of a non-aggression pact between the two Koreas. The preliminary meeting for the arrangement of inter-Korean parliamentary talks, held on July 23 in Panmunjom, was the first of its kind since the Korean peninsula was divided in 1945.

The Soviet Union is apparently not interested in Pyongyang's proposal to hold a trilateral conference, involving the two Koreas and the United States, as a way to reduce tensions on the peninsula, Yi said. He said that the Korean question should be settled through direct inter-Korean dialogue, not through a three-way meeting, which would be ineffective and inane.

Because national unification is an internal issue, Yi appealed to Pyongyang to accept Seoul's consistent principle of resolving the Korean issue through direct negotiations between Seoul and Pyongyang. The unification minister also urged Pyongyang to participate in an inter-Korean summit meeting. South Korean President Chon Tu-hwan proposed that the top leaders of South and North Korea hold a summit meeting involving frank and open-minded discussions on several issues.

Regarding the proposed exchange visits by separated family members and performing art troupes between Seoul and Pyongyang, Yi said it would not be difficult for the two sides to reach an agreement on the size of visiting groups, visiting places and other details if the two sides show sincerity toward settling those matters in the working-level inter-Korean Red Cross talks in Panmunjom.

South and North Korean Red Cross officials were deadlocked when the second working-level meeting ended on July 19, the delegates were trying to arrange detailed plans for the proposed exchange of folk art troupes and hometown visits by dispersed family members. The delegates to the Panmunjom meeting made no progress because Pyongyang held onto to its earlier position that the visits of the separated family members should be confined to Pyongyang and Seoul.

The South and North Korean Red Cross societies should do their best during working-level meetings in Panmunjom to meet the aspirations of the separated family members to visit their hometowns, Yi said. The South Korean Government will support the ongoing Red Cross talks in an effort to bring about positive results, he added.

About 400 students and professors from four universities in Cheju-do attended the meeting on unification dialogue. Yi was invited to the meeting as a guest speaker.

#### KYODO on Nonaggression Talks

OW260507 Tokyo KYODO in English 0457 GMT 26 Jul 85

[Text] Seoul, July 26 KYODO -- South Korea's National Unification Minister Yi Se-ki said Friday his country is ready to discuss a nonaggression declaration with North Korea if Pyongyang agrees to hold negotiations between government authorities of the two countries. North Korea prefers discussing the matter between National Assembly members of both Koreas.

"I think we can discuss (the matter) if (North Korea) accepts (South Korea's proposal) for negotiations between government authorities," Yi said in a lecture at Cheju College on the southern island of Cheju. This was South Korea's first official indication of its readiness to take up the subject which was first raised by North Korea. South Korea said a unified constitution should be at the top of the agenda of parliamentarians talks.

Yi also referred to deadlocked negotiations between South and North Korea Red Cross officials and said they could reach agreement if they sit down for talks "seriously." The remark is regarded here as a suggestion that South Korea may make concessions to accept North Korea's idea about the places to be visited by both sides under family reunion programs. North Korea says Pyongyang and Seoul should be the only places allowed for delegation members in the first such group to cross the 38th parallel since the division of the peninsula in 1945.

#### Sports Minister Welcomes Talks

SK262355 Seoul THE KOREA HERALD in English 26 Jul 85 pp 1, 2

[Text] The government yesterday expressed hope for smooth-sailing at the inter-Korean sports talks announced by the International Olympic Committee (IOC) for later this year in Lausanne, Switzerland.

Minister of Sports Yi Yong-ho welcomed North Korea's agreement to the IOC-suggested sports talks between South and North Korea as indicating a "positive" change in Pyongyang's stance toward the 1988 Seoul Summer Olympics. He disclosed at a press meeting that the IOC suggestion, first made to Seoul and Pyongyang Feb. 1 this year, has been kept from being made public since North Korea has so far withheld committing itself to the IOC initiative. Seoul immediately committed to the IOC-proposed talks, which would discuss the Seoul Olympic Games and other questions including the Olympic movement and the sports movement in general, Yi told reporters over a luncheon meeting.

The sports minister welcomed North Korea's "favorable turn" regarding the Lausanne inter-Korean sports talks, but at the same time he expressed regret that the sports talks are to be conducted at the initiative of the IOC and not as a joint undertaking of the Koreans themselves.



Yi added that the IOC announcement slated that Lausanne meeting for late this year, but there is ample possibility that the sports talks, the first such gathering involving sports officials of south and north Korea since their meeting to form a unified Olympic team for the L.A. Olympic Games broke down last year, could be advanced.

Stressing the need of south and north talks to be arranged through direct contact as a result of their own initiative, the government's highest sports official wanted to make it clear to Pyongyang that Seoul has always kept its door wide open for direct talks between south and north Korea.

Juan Antonio Samaranch, president of the IOC, who has expressed his intention to convene a meeting between representatives of the south and north on several occasions, went into action in February of this year when he sent a letter to the Korean Olympic Committee (KOC) and the North Korean Olympic Committee. He proposed in his letter, according to a high KOC official, that six delegates each from south and north meet at the IOC headquarters in September this year to discuss sports exchanges between the national Olympic committees and other issues including the 1986 Asian Games and the 1988 Olympics, both to be held in Seoul.

Local observers here say that north Korea accepted the IOC proposal because Pyongyang cannot make any excuse for refusing given the fact that the south and north are currently holding economic, Red Cross and parliamentary talks.

Talks to form a single Korean team for the Los Angeles Olympics broke down in May last year after three rounds of meetings and north Korea joined the Soviet-led boycott. Pyongyang has not responded to Seoul's repeated suggestions to resume the halted sports talks since the Los Angeles Olympics.

#### KIM IL-SONG SEEKS NONALIGNED CHAIRMANSHIP

SK251254 Seoul TONG-A ILBO in Korean 25 Jul 85 p 2

[YONHAP Report from Paris]

[Text] On 23 July, a source in Paris said: Seeking the chairmanship of the Nonaligned Movement in 1986, North Korea's Kim Il-song is conducting diplomatic offensives. However, his position has been placed in an "extremely uncomfortable state."

This "French" source, well informed on North Korea's external activities, further said: The foreign ministers of the Nonaligned Movement will hold a conference in Angola from 4 to 9 July and decide a new chairman country which will succeed India, the incumbent chairman country. It is no secret that Kim Il-song is already running for the chairmanship.

According to the source, the leader of an "African" country, not far from the Republic of South Africa and supported by "Cuba," is to take the chairmanship of the Nonaligned Movement. However, Kim Il-song thinks that the "Angolan" Government will yield the chairmanship to him by taking into consideration the fact that it has been given military aid by North Korea.

The source added: Over the past several years, Kim has diligently resorted to many tactics to export his peculiar ruling method abroad, distributing "benefices" to influential pro-North Korean figures through some 1,500 chuche study institutes and Kimilsongism study institutes and inviting foreign reporters and representatives of political parties to North Korea.

HONG KONG PAPER CITED ON DEATH OF NORTH OFFICIAL

SK260521 Seoul THE KOREA HERALD in English 26 Jul 85 p 1

[Text] Hong Kong, (YONHAP) -- North Korea's first vice foreign minister, Yi Chong-mok, was not killed accidentally in a traffic incident, but was the victim of military opponents of north Korean leader Kim Il-song and his son and heir-apparent Kim Chong-il, the HONG KONG STANDARD reported Thursday.

Quoting diplomatic sources, the report from Beijing said Yi was murdered as planned by military "elites" who oppose the hereditary power succession to embarrass the two Kims. The English daily said reporters and foreigners who had visited north Korea said they were doubtful about the report that the vice minister was killed in a traffic accident July 15. They noted that traffic accidents are unlikely as the streets of Pyongyang are deserted and vacant, the daily said.

GOVERNMENT SEEKS POWER TO COMBAT STUDENT VIOLENCE

SK260032 Seoul THE KOREA HERALD in English 26 Jul 85 p 1

[Text] The government plans to seek special legislation that will give it more power to combat violent student demonstrations and ideological indoctrination.

If enacted, the legislation would be named the Campus Stabilization Law and would empower the government to order the closing of universities if they are plagued with incessant student activism. It would also expand legal grounds for the government to take harsh action against radical student activists.

Political sources said the envisaged bill, if enacted, would be in force for a certain period of time. The sources said that the legislation plan is part of the government's multilateral efforts to work out institutional safeguards against campus and labor unrest. The government has concluded that the penetration of leftist ideology into the campuses has reached a serious phase, they said. The government and the ruling Democratic Justice Party have held consultations in drafting a bill, they said.

They said the government and the DJP have been discussing fundamental measures to root out "violent and unlawful acts" by student activists. The measures, designed to restore and maintain an academic atmosphere, will empower the government to hold school authorities responsible for violent student demonstrations, it was learned. They include a proposed law aimed at normalizing campus activities that have been "impeded by extreme student demonstrations."

The DJP also plans to conduct on-the-spot surveys of job-site conditions in an effort to help prevent labor disputes. The ruling party intends to map out measures intended to have employers held responsible for labor strikes when they are to blame for them. It also plans to establish labor grievance petition offices at its central headquarters and local chapters. The DJP is scheduled to sponsor a public forum on labor affairs next month. The DJP has recently activated an ad hoc committee to handle campus and labor issues actively and positively.

The party held a plenary meeting of its labor affairs committee yesterday morning to discuss labor unrest. Minister of Labor Affairs Cho Chol-kwon said a total of 164 labor strikes had occurred this year as of last Monday. The number compares with 75 for the same period of last year, he said.



The minister said that 52 of the 164 strikes were staged by student activists who found employment in factories and other workshops for political reasons. A rundown of the total was 38 for unpaid wages, 83 for demands for wage raises, 23 for unfair treatment and 20 for other reasons.

The minister said student activists are taking political advantage of labor strikes, and that 198 student activists had found politically motivated employment in 98 workshops. Ninety-five of them were later dismissed and 72 resigned voluntarily, he added. The government will arrest employers found treating workers unfairly, Cho said. Unfair treatment would include having excessive wages in arrears.

#### COLLEGES TO BAN CAMPUS ACTIVITIES DURING VACATIONS

SK250113 Seoul THE KOREA HERALD in English 25 Jul 85 p 8

[Text] Some major universities in Seoul and provincial cities have decided to ban oncampus student group activities during this summer vacation period, it was learned yesterday.

The universities made the decision because most of the summer camps are allegedly aiming at strengthening the membership of student activist groups and spreading their "biased" ideology, school authorities said. The decisions appear to have been made in line with the government's recent tough stand against campus violence. The government earlier banned rural service activities by students without the accompaniment of professors or the approval of their schools.

It was learned that at least 13 universities have decided to ban such on-campus programs during the vacation period. This comprise nine in Seoul, including Seoul National, Korea and Yonsei universities, and four in provincial cities, including Pusan National University and Chongbuk National University in Chonju, Chol-labuk-do.

If students attempt to push ahead with their programs, school gates may be closed, banning the entry of students. If the situation worsens, schools may be closed temporarily, it was learned. School officials believe that closing the campuses during the vacation period would not involve many disadvantages.

It was learned that Seoul National University has already mailed letters to the parents of student activists informing them of the school plan. All the projected summer camps are slated immediately before and after national liberation day on Aug. 15. Seoul National University, which termed the "Kwanak Camp" slated for Aug. 12-15, an illegal gathering, instructed the school's student council to cancel its plan. Yonsei University plans to close its gates or suspend school operation for the time being if students do not honor a school decision against their planned "Chongsong Camp" slated for Aug. 12-15.

#### COURT SENTENCES CULTURAL ARTISTS TO DETENTION

SK260153 Seoul THE KOREA TIMES in English 26 Jul 85 p 8

[Text] The five Minjung [populace] artists sent to summary trial in connection with the exhibition of their "instigating" works at the Arab Cultural Center were sentenced to seven days in detention each.

They had been led away by police on Sunday for questioning on suspicion of having tried to "incite unrest" by featuring only the dark side of society in their works, depicting mainly the miserable life of workers.

Under the summary court's decision, police confiscated 19 of the 24 pieces which they had seized from the exhibition.

Meanwhile, over 30 members of the Council for Minjung Cultural Movement ended their three-day sit-in protest Wednesday after the summary court handed down the sentence for their colleagues. Dissolving the protest, they issued a statement titled "No Repression on Minjung Fine Art," in which they pledged to stage signature-gathering campaigns and open discussion meetings to gain public support for their Minjung cultural movement.

EX-PRESIDENT OF DKP, 13 OTHERS JOIN NKDP 24 JULY

SK250201 Seoul THE KOREA TIMES in English 25 Jul 85 p 1

[Text] Cho Yun-hyong, ex-president of the minor opposition Democratic Korea Party, joined the main opposition New Korea Democratic Party [NKDP] along with his 14 fellow DKP members yesterday. Thirteen of them had been defeated by NDP [New Korea Democratic Party] candidates in the last general elections, in which the newly born NDP replaced the DKP as the first opposition party in the National Assembly.

The new entrants included Kim Un-ha, former vice house speaker, Chong Tae-chol who competed against NDP president Yi Min-u in the Chongno-Chung district, Seoul, and Cho Seihyong, a journalist-turned politician.

Meanwhile, Yang Sun-chik, ex-lawmaker of the disbanded ruling Democratic Republican Party, joined the NDP. Yang, who belongs to the Kim Tae-chung faction, plans to run for the vice party president candidate in the upcoming national convention.

JAPAN'S ENVOY TO ROK COMMENTS ON TRADE DEFICIT

SK261002 Seoul YONHAP in English 0922 GMT 26 Jul 85

[Text] Sukwipo, Korea, July 26 (YONHAP) — South Korea's deficit its trade with Japan should be dealt with from an economic, not political, viewpoint, Kiyohisa Mikanagi, Japan's ambassador to Korea, said Friday. Mikanagi spoke at a seminar, arranged by the Korea management association, for leading South Korean entrepreneurs. The seminar was held at the Hyatt hotel here.

Although many South Koreans assert that the deficit problem is a political issue, efforts to solve the problem politically are "unproductive," the Japanese envoy said. In the past two decades, Korea has accumulated a deficit of more than 30 billion U.S. dollars in its trade with Japan. But because Japan's exports to Korea are conducive to the economic development of Korea, the concept of "accumulating trade deficits is unacceptable," Mikanagi said. The trade gap between Korea and Japan reflects changes in the industrial structures of the two countries, the ambassador said, and added the trade friction that arises from those structural changes cannot be solved in a short span of time. He pointed out that Japan has been extending more than 200 million dollars in low-interest and long-term public loans annually to Korea to help finance public projects here, since Prime Minister Yasuhiro Nakasone visited Seoul early in 1983.

Mikanagi then expressed regret that instead of considering Japan's economic cooperation with Korea, many Koreans emphasize the trade deficit issue. The two countries should solve the trade problem in an "adult manner," he said. They should exchange "candid and unreserved dialogue" and should refrain from making unilateral claims, he added.



UNEN ON USSR FOREIGN POLICY, ASIAN PEACE

OW220558 Ulaanbaatar MONTSAME in English 1715 GMT 20 Jul 85

[Text] Ulaanbaatar, 20 July (MONTSAME) -- In the spheres of international relations, the policies and role of Asian countries are steadily growing and their interest and desire to ensure jointly peace and security on the continent are increasing, the national daily UNEN writes in its leading article.

The consistent peaceful foreign policy of the Soviet Union and its efforts and initiatives are playing a great role in the strengthening mutual trust and cooperation among countries of the continent. In May this year when the Indian Prime Minister, R. Gandhi, met with M. Gorbachev, latter proposed in future an [words indistinct] of the strict co-ordination [words indistinct] security not only Asia but also in the whole world, the paper stresses.

The Mongolian initiative to conclude a convention on mutual non-aggression and non-use of force in relations among countries of Asia and the Pacific as well as DPPK proposal on peaceful settlement of the Korean peninsula problems and the initiatives of three fraternal Indochina countries on the normalization of situation in South East Asia, and the efforts by non-aligned countries aimed at making the Indian Ocean areas a zone of peace, at stopping the Iran-Iraq war indicate the historic needs for peace, security and stability in Asia. The important significance is the fact that the great powers of Asia, U.S.S.R. and China -- pledged not to be first to use nuclear weapons the UNEN notes.

The increasing interference of imperialist states in the vital affairs of Asian countries, the incessant wars and conflicts and political instability in the region call on countries of the continent, regardless of their socio-political, religious, economic and other differences, to fight jointly for the main thing -- peaceful and safe life, the paper stresses.

BATMONH MEETS SUKHIN-LED SOVIET DELEGATION

OW220533 Ulaanbaatar MONTSAME in Russian 1409 GMT 20 Jul 85

[Text] Ulaanbaatar, 20 Jul (MONTSAME) -- J. Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, today received a Soviet delegation headed by Yu. S. Sukhin, RSFSR minister of motor transport. The delegation arrived in the MPR to take part in celebrations on the occasion of the 60th anniversary of the creation of the MPR motor transportation.

During the meeting, Comrade J. Batmonh presented Comrade Yu. S. Sukhin the Friendship Medal, which he was awarded by a decree of the MPR People's Great Hural Presidium.

Present at the meeting were B. Dejid, member of the MPRP Central Committee Politburo and chairman of the party Control Committee of the MPRP Central Committee; C. Suren, deputy chairman of the MPR Council of Ministers; D. Yondonsuren, MPR minister of transportation; and other officials, as well as K. Ye. Fomichenko, USSR ambassador to the MPP.

DELEGATE TO MOSCOW YOUTH FESTIVAL INTERVIEWED

OW241001 Ulaanbaatar MONTSAME in English 1708 GMT 23 Jul 85

[Text] Ulaanbaatar, 23 July (MONTSAME) -- "I am waiting impatiently for seeing Moscow, and very happy that I would again participate in the World Youth Forum" said M.P.R. Labour Hero S. Tserenjargal, famous textile worker, to a MONTSAME correspondent. She was a delegate to the 11th World Festival in Havana, and now is invited to this festival as a guest of honour.

Over the period between the two youth fora, the scope of international youth movement has steadily grown and its membership increased in number. It is my belief and hope that the 12th World Festival of Youth and Students in Moscow will give a new and strong impetus to this movement, to the cause of peace and security of nations, to the preventing of nuclear catastrophes threats gathering over the entirety of mankind because of reactionary forces of international imperialism headed by U.S. It is significant that the regular youth festival is going to take place in Moscow, the capital of first in the world socialist state, a country which has become today a reliable stronghold of peace, democracy and social progress, underlined S. Tserenjargal.

In the 540 member Mongolian youth delegation which left the other day for Moscow to participate in the World Youth Forum, S. Tserenjargal will represent the country's young workers. For the second time she earned the right of honour to be a delegate to a so representative youth forum through her dedicated and creative work. S. Tserenjargal is a worker of a textile factory and is conferred on the title of Labour Hero of the M.P.R. for the outstanding achievements in her work. She is a deputy to the M.P.R. Great People's Hural -- the supreme body of state power of the M.P.R.

#### BATMONH MESSAGE CONGRATULATES NICARAGUA

OW220557 Ulaanbaatar MONTSAME in English 1718 GMT 19 Jul 85

[Text] Ulaanbaatar, 19 July (MONTSAME) -- On the occasion of the national day-the sixth anniversary of the victory of the Sandinist people's revolution in Nicaragua General Secretary of the MPRP Central Committee and President of the MPR Jambyn Batmonh warmly congratulated the fraternal Nicaraguan people.

The congratulatory message, addressed to president of Nicaragua Daniel Ortega Saavedra, says that the victory of liberation struggle of Sandinists against U.S. imperialism and the reactionary regime of Somoza opened up for the Nicaraguan people a bright road to development and progress and made deserving contribution to the national liberation struggle of the Latin American peoples.

J. Batmonh noted, among other things, the successful development and strengthening of friendly relations between the Mongolian and Nicaraguan peoples on the strength of militant and internationalist solidarity.

#### DPRK FRIENDSHIP DELEGATION LEAVES FOR HOME

OW220553 Ulaanbaatar MONTSAME in English 1721 GMT 19 Jul 85

[Text] Ulaanbaatar, 19 July (MONTSAME) -- The delegation of Korean-Mongolian Friendship Society (KMFS) led by minister of finance of the DPRK, Chairman of KMFS Yum Ki-chong left yesterday here for home.

The delegation attended the celebrations of the 64th anniversary of the Mongolian People's Revolution at the invitation of the Executive Committee of the Federation for Mongolian Peace and Friendship Organisations and the Mongol-Korean Friendship Society. During its stay in Mongolia the delegation was in the city of Fredent and the Bulgan Aymak, as well as participated in some activities within the framework of the Korean people's struggle support month.



EDITORIAL URGES IMPLEMENTING ASSEMBLY RESOLUTIONS

BK251114 Phnom Penh Domestic Service in Cambodian 2300 GMT 23 Jul 85

[Station editorial: "Let Us Successfully Carry Out All Resolutions of the Ninth Session of the First National Assembly"]

[Text] As our entire party, Army, and people actively carried out the emulation movement to expand the victories won in the 1984-85 dry season, the Ninth Session of the First National Assembly concluded with splendid success.

During this session, the National Assembly listened to, discussed, and made decision on many important issues [words indistinct]. The National Assembly highly valued the development made in all fields by the Cambodian revolution in the past more than 6 years, especially the brilliant victories scored by our Army and people in close cooperation with the Vietnamese Army volunteers in attacking the positions of the Pol Pot-Son Sann-Sihanouk bandits along the Cambodian-Thai border. These victories won by our Army and people, as well as the enemies' defeats, are of strategic significance. During these operations, we have taken full control of eight bases of Pol Pot, seven bases of Son Sann, and one base of Sihanouk along the border. The enemies' combat situation has been turned completely upside down, thus plunging them into a most desperate state. Thanks to these victories, the enemies are facing a state of total collapse while the Cambodian revolution is advancing firmly toward achieving total victory. The National Assembly hailed our patriotic peasants and workers throughout the country for their close cooperation with the Armed Forces, militia forces, and our state authorities to sweep up and destroy the bandits and actively defend and safeguard our peaceful life and social order.

Tens of thousands of our workers have awakened and volunteered to carry out national defense tasks along the border, braving all difficulties. This is an historic event in our people's valiant struggle and is a clear expression of raging hate and anger against the genocidal clique and reactionary Cambodians of all stripes. Furthermore, our people from all walks of life have volunteered to go into the jungles and try to persuade misled persons to return to the fold and bring with them many weapons.

The National Assembly was also very pleased with the great achievements of various state institutions which were a timely response to every significant issue influencing production work, administration and encouragement for people to carry out their tasks well. During the same period, although the enemies have continued to carry out destructive activities against us in every field, the implementation of our plans is still progressing. A fact worthy of pride is that many localities in which our people have practised intensive cultivation have produced high rice yields.

All the great victories achieved in the past were due to the vigorous efforts of the entire party, Army, and people, with the fraternal assistance of Vietnam, Laos, the Soviet Union, and other socialist countries. However, although faced with our brilliant victories, the enemies still have illusions and have refused to accept reality. They have not yet abandoned their destructive maneuvers against the Cambodian revolution. The remnants of the Pol Pot bandits and the reactionary Cambodians of Son Sann and Sihanouk -- with support from the Beijing Chinese expansionist-hegemonists, the U.S. imperialists, and other reactionary forces, in Thailand in particular -- have sought every means to carry out activities to plunder people's property and disturb production and the peaceful life of our people.

Faced with this situation, we should not be complacent in our victories and abandon our vigilance. In the immediate future, we should strive to successfully carry out this rainy season's activities and be always ready to smash every maneuver and activity of the enemies to defend the people's peaceful life.

We pledge to continue the successful implementation of the plan to build a defense line along the border to stifle the enemies' attempts to infiltrate the country and to actively participate in the movement to win back misled persons. As the ones who have the advantage over the enemies and who are always victorious, our entire people should strive to fulfill and exceed the plans in their tasks during the second half of 1985, vigorously advance this rainy season's agricultural activities, and firmly defend localities in our advance toward becoming full masters of the situation along the border and inside the country.

Our entire Army and people are determined to carry out the emulation movement, successfully implement every resolution of the First National Assembly's Ninth Session, and actively contribute to achieving results that will welcome the party's fifth congress for the cause of defending and building the Cambodian fatherland and advancing it toward socialism in accordance with the just aspirations of our people.

#### HENG SAMRIN SENDS GREETINGS TO FIDEL CASTRO

BK250705 Phnom Penh SPK in French 0403 GMT 25 Jul 85

[Text] Phnom Penh, 25 Jul (SPK) -- Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State, recently sent his warm greetings to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and chairman of the Councils of State and of Ministers of the Republic of Cuba.

The message, addressed on the occasion of the 32d anniversary of the armed insurrection against the Batista dictatorial regime at Moncada Barracks, said:

Under your vigilant leadership, the attack on Moncada clearly showed the spirit of tough, courageous, and dynamic struggle of the fraternal and heroic Cuban people.

The message noted that this event marked the beginning of a new era, the era of armed struggle, and the victory led to the founding of the first socialist state in the history of Latin America.

The Cambodian party, government, and people once again expressed their militant solidarity and firm support for the Cuban party, government, and people struggling against all acts of sabotage of the aggressive and warmongering U.S. imperialists and their lackeys, the message added.

May the relations of militant solidarity between our two countries further develop and strengthen, the message concluded.



YOUTH LEADER TALKS ABOUT MOSCOW FESTIVAL

BK251443 Vientiane Domestic Service in Lao 0500 GMT 24 Jul 85

[Report on interview with Phan Duangchitvongsa, general secretary of Executive Committee of Lao People's Revolutionary Youth Union, on 12th World Youth and Student Festival in Moscow -- date not given]

[Excerpts] In the next 3 days, the 12th World Youth and Student Festival to display the great strength of youths throughout the world in solidarity against imperialism and for peace, and friendship will be opened in Moscow in the USSR -- the land of the great Lenin who gave birth to the world revolution. Before leaving for the USSR to attend the festival, and as a representative of the Lao students and youths, Comrade Phan Duangchitvongsa, general secretary of the Executive Committee of the Lao People's Revolutionary Youth Union [LPRYU] and member of the national committee to make preparations for attending the festival, gave an interview to a national radio station reporter on the history of the festival and an emulation campaign carried out by Lao students and youths to score achievements to welcome the occasion.

[Begin Phan Duangchitvongsa recording] The festival has been held 11 times in the past 40 years. The first was held in the CSSR in 1947.

After the conclusion of the 11th World Youth Festival held in Cuba, in which over 100 Lao youth delegates participated, youths and students all over the world were very anxious to attend the 12th one. Unfortunately, due to the confusing and complicated international situation caused by the Reagan administration's warmongering policy of carrying out the arms race and opposing communism, socialism, and the USSR, the organization of the 12th festival was subsequently postponed. By November 1983, with a sense of responsibility to strengthen the solidarity among youth and student movements throughout the world, the Leninist Komsomol took the initiative to host the 12th World Youth and Student Festival in Moscow in 1985.

When Komsomol announced its decision, the move was hailed and supported by youths and students all over the world. As for our Lao youths, we have rendered complete support to this initiative. Our party and government have also given support to this event. To enable Lao youths to participate in the festival, the LPRP Central Committee Political Bureau adopted a resolution appointing a national committee to make preparations to welcome the festival with Saman Vignaket, secretary of the LPRP Central Committee and head of the party Central Committee Organization Committee, as chairman. Since then, the LPRYU has issued several instructions and resolutions aimed at mobilizing our youths throughout the country to launch an emulation campaign to score achievements to welcome the festival and to heighten a sense of patriotism and proletarian internationalism.

Even though the situation in our country has become more complicated in the recent past because the imperialists, the Beijing big-nation expansionists and hegemonists, and the ultrarightist reactionaries in the Thai ruling circles have stepped up their sabotage scheme against our country, our Lao youths have attentively engaged in the Red Saturday work by [words indistinct] and have contributed to carrying out national defense and public security work. They have also engaged in sports and artistic activities. In February this year, we organized a national artistic contest to select a number of young artists to participate in the Moscow youth festival. Several ministries have dedicated numerous enterprises they have undertaken in the name of the festival. Several provinces have built and repaired roads as a gesture of respect to the Moscow festival. For instance, Oudomsai Province has launched an emulation campaign to build a reservoir to welcome the festival.

Now, we, over 250 representatives of Lao youths -- workers, members of agricultural cooperatives, students, Army youths, and young artists -- are gathering here in preparation to leave for Moscow. We representatives of our youths throughout the country have prepared ourselves by studying political and ideological lines, rehearsing our artistic performances, consolidating our organizational capability, and engaging in parade training so as to make our participation in the Moscow festival effective.

We are prepared to participate in every aspect of the festival, for example by attending all political orientation meetings, attending meetings with youth delegations from the fraternal and friendly countries throughout the world, and participating in round-table seminars, participating in artistic performances at our own gathering and on the international night at the festival and in political and folk song contests. At the same time, we will also carry out many other movements. For example, we will contribute to a movement to celebrate the 40th anniversary of the victory of the Soviet Red Army over the German fascists and Japanese militarists. We consider all these activities as the (?current) important events in the political life of the world.

We are leaving Vientiane for Moscow with a sense of confidence and good intention to fight and contribute to the common struggle to safeguard peace. We ask all friends and comrades back home to give us encouragement and follow our movements. [end recording]

#### VIENTIANE MAYOR MEETS HANOI ECONOMIC DELEGATION

BK251017 Vientiane KPL in English 0903 GMT 25 Jul

[Text] Vientiane, July 25 (OANA-KPL) -- Khambou Sounisai, member of the LPRP CC and mayor of Vientiane, received here yesterday an economic delegation of Hanoi led by Pham Si Liem, member of the party committee and vice-mayor of Hanoi, on a current visit here at the invitation of the Vientiane party and administrative committees.

K. Sounisai, on this occasion, expressed satisfaction over the delegation's visit, describing it as a contribution to the furtherance of special solidarity and cooperation between Vientiane and Hanoi. The two sides also discussed issues of mutual interests.

In the afternoon of the same day, a memorandum on economic and cultural construction cooperation between the two capitals (Vientiane-Hanoi) was signed by Dr Siho Bannavong, vice-mayor of Vientiane, and Pham Si Liem, representative of the Hanoi economic delegation on a current visit here.

Among those present at the signing ceremony were Khambou Sounisai, member of the LPRP CC, mayor of Vientiane, Sithon Sibounhuang, deputy-minister, member of the party committee and head of the Planning Committee of Vientiane.

Nguyen Dinh Hiep, representative of the party and people committees of Hanoi to Vientiane, was also present on this occasion.

#### GEOLOGY COOPERATION MEMORANDUM SIGNED WITH SRV

BK251019 Vientiane KPL in English 0907 GMT 25 Jul 85

[Text] Vientiane, July 25 (OANA-KPL) -- The Lao PDR and the SRV will collaborate in an exploration work of iron ore deposit in Lao Houaphan, Xiengkhouang and Vientiane Provinces. This is stated in a memorandum on geological cooperation signed here yesterday following talks between the two countries' delegations.



The two sides will also cooperate on geological cartographic work, the exploration of coal deposit in Saravan Province, and a formation of Lao technicians within a framework of bilateral cooperation plan in 1985 and 1986-90.

Signatories to the memorandum were made by [as received] Sitthisai, deputy minister of industry, handicraft and forestry of the Lao PDR, and Tran Duc Luong, alternate member of the CPV CC, and head of the General Department of Geology of the SRV. In attendance of the signing ceremony were Vanthong Sengmuang, member of the LPRP CC, minister of trade, and Nguyen Xuan, Vietnamese ambassador to the Lao PDR.

#### LEADERS GREET POLISH OFFICIALS ON ANNIVERSARY

BK231136 Vientiane KPL in English 0908 GMT 23 Jul 85

[Text] Vientiane, July 23 (KPL) -- Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the LDPR and the PSA, [People's Supreme Assembly] have sent a message of greetings to Wojciech Jaruzelski, first secretary of the Polish United Workers' Party [PUWP] Central Committee, chairman of the Council of Ministers of the Polish People's Republic, Henryk Jablonski, president of the State Council, and Stanislaw Gucwa, president of diet of the Polish People's Republic on the occasion of the 41st anniversary of the Polish People's Republic.

The Lao leaders, on behalf of the LPRP CC, the PSA, the Council of Ministers and the entire Lao people as well as in their own names expressed best wishes and warm congratulations to the Polish leaders and through them to the PUWP CC, the Council of State, the diet, government and the fraternal Polish people.

The message highlighted the remarkable achievements scored by the Polish people under the leadership of the PUWP with a strong support and all-round cooperation from the Soviet Union and other socialist countries in the struggle against internal and external reactionaries, and imperialists for national defence and socialist construction. They described it as a great contribution to the strength and unity of the socialist community for the cause of security and peace in Europe and in the world as well.

The message goes on: "We are proud of the successful development of the fraternal relations, militant solidarity and close cooperation between our two countries basing on Marxism-Leninism. We regard these great successes of the fraternal Polish people as our own."

On the same occasion, Phoum Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs of the Lao PDR, also sent a congratulatory message to Stefan Olszowski, minister of foreign affairs of the Polish People's Republic.

MINISTRY SPOKESMAN ON LAO BORDER NEGOTIATION

BK260250 Bangkok THE NATION in English 26 Jul 85 p 2

[Text] Huai Yang, Uttaradit -- Thailand will not resume negotiations with Laos over a border dispute which broke out last year unless Vientiane generates atmosphere conducive for talks by halting verbal attacks and across-border shootings, Foreign Ministry Spokesman Sawanit Khongsiri said yesterday.

Sawanit, talking to reporters on a tour of border areas close to the three disputed villages of Mai, Klang and Sawang, said in the latest Lao overture, Vientiane still insisted on its sovereign right to the three villages in Ban Khok Sub-district of this northern province and the same five-point demand, including the complete withdrawal of Thai troops from the disputed areas, compensation for Laotian villagers injured during the border clashes and the return of Laotian villagers purportedly captured by Thai troops.

The Thai side continues to hold that the claims from both sides over the three villages have yet to be verified.

Lt Col Krairoek Khanthongkham, commander of a task force taking charge of security in the border areas, said Laotian troops sniped at Thai troops based at an outpost near Bo Bia Village, about 500-600 metres from the frontier yesterday morning. The harassment, however, caused no casualties.

The previous incident of this kind took place at the same place on July 19, said the commander of a cavalry battalion of the First Cavalry Division. He said that Laotian troops also fired rockets and mortar shells across the border on April 3.

Since Thai troops were pulled out of the disputed area last October, two Thai soldiers have been killed and 43 others wounded. One Thai villager and at least four to five Laotian soldiers have also been killed, he said.

Sawanit said that despite the withdrawal of Thai troops from the disputed area, Vientiane continued to wage a psychological warfare against Thailand.

"I doubt the Lao move was its own initiative. Perhaps, somebody has been behind the slandering campaign against Thailand," he said.

Referring to the Lao overture made early this month, Sawanit said that the dispute in connection with the three villages was just a part of an overall question involving the entire Thai-Lao border and should be taken up by local authorities of the two countries, and not at the national level because it was only a minor issue.

The spokesman said that reporters were taken to the border to verify facts that the villagers moved out of the three villages deeper into Thailand on their own free will and the Thai side would not mind if any of them want to return to the disputed area.

Lt Col Krairoek said that out of 1,072 inhabitants of the three disputed villages, 762 had chosen resettlement at Huai Yang Village, about eight kms from the disputed area. The Thai authorities have set about the business by granting them identity cards and farming out cultivation land to the villagers.



PARLIAMENTARIANS BEGIN 10-DAY TOUR OF CHINA

BK260346 Bangkok THE NATION in English 26 Jul 85 p 2

[Text] A group of parliamentarians led by President of the Parliament Dr Ukrit Mongkhonnavin yesterday began their 10-day tour of China.

Dr Ukrit said before leaving that the visit to China would help strengthen the relationship between the people of both countries.

The assemblymen will return on August 5.

MATICHON CALLS FOR LOBBYING IN WASHINGTON

BK251115 Bangkok MATICHON in Thai 24 Jul 85 p 4

[Editorial: "Thai-U.S. Trade"]

[Text] The protectionist attempts of U.S. businessmen and politicians against Thai textiles, steel pipes, shoes, and other products have spurred the Thai private sector, government, and parliamentarians into action. This is evident in the government's efforts to gain sympathy from the U.S. Government and in the initiative of some members of Parliament to persuade their U.S. counterparts to help block the Jenkins bill in the U.S. Congress. The export of textiles, steel pipes and shoes affects the interest of manufacturers as well as employees employed in those industries and foreign exchange revenue, thus creating common dissatisfaction against the United States. There exists the feeling that being a political and economic superpower, it is not appropriate for the United States to enact a law which will strongly affect its ally. In particular, the Jenkins bill targets Asian developing countries but favors EEC countries, Mexico, and Canada.

Although the Jenkins bill is a demonstration of narrow-mindedness, Thailand must be open-minded and try to understand it. That is, first, it must be understood that the U.S. Government and Congress are independent of each other; the government cannot always dictate to the Congress. Another point is that regardless of how much the Jenkins bill displeases us, our reaction toward the United States must not be the type of reaction we might have against Japan, because the United States has given us fine assistance in the past and our trade with it has been rather smooth.

Government-to-government ties between Thailand and the United States are exemplary. The weakness lies in ties between the Thai Government and the U.S. Congress which the Thai side must try to strengthen. What requires immediate attention is stepping up lobbying by both the government and the private sector. This lobbying must not be an ad hoc mission to satisfy certain situations, but must be a continuing job in order to create better understanding on the part of the United States. At the same time, new markets must be sought. Only by doing this can we gradually escape crisis.

VOFA ADVISES VIETNAM ON CAMBODIAN ISSUE

BK251028 Bangkok Voice of Free Asia in Cambodian 1300 GMT 24 Jul 85

["Article:" "It Is Not Too Late for Vietnam To Change Its Mind"]

[Text] Dear listeners: Usually, foreign policy is based on national interests, which should be considered more important than anything else.

Leaders with noble ideals and intelligence would see what the real interests of their nation are, namely stability and security of the country and people, national honor and prestige in the international community, and noble life appropriate to a developed country. Leaders who lack clear analysis of the world situation and who are not conscious of their nation only set policy to serve foreign countries' interests or the interests of their own groups. This policy is carried out in a dictatorial manner. The ultimate result of this would be to lead the country toward destruction as we have seen in the past.

Looking at the international situation in Southeast Asia, we see that Vietnam sent forces to commit large-scale aggression against Cambodia involving up to 200,000 soldiers. To do this, Vietnam used money it borrowed from others or it received by begging from the Soviet Union -- up to \$4 million or about 100 million baht. Since 1978, this money amounts to almost \$100 million or more than 200,000 million baht. By doing this, Vietnam hopes to set up the Indochinese federation or the Vietnamese federation. One can say that Vietnamese leaders are ignorant, with narrow-minded ideas. They adhere to a foreign policy along an extreme leftist path to serve a policy of aggression without considering the reality of the international situation.

The writer would like to point out that at the moment, the eastern wind is not any stronger than the west wind; only the wind of peace prevails. If Vietnamese leaders took some time off from planning aggression against neighboring countries, they would be reminded to look at the world to see how other countries have changed their reactions, in particular the Soviet Union which is Vietnam's master, before they become too isolated. Once the Vietnamese leaders are awakened, they ought to change their minds, abandon their policy to commit aggression against neighboring countries, and immediately accept the peace policy proposed by the ASEAN countries.

Why does the writer say the wind direction has changed? First, there has been a change in the Soviet leadership, which is now in the hands of Mikhail Gorbachev. The new Soviet foreign policy is aimed at strengthening and expanding ties with the United States and China, namely the signing of two economic agreements on 10 July 1985 to double Soviet-Chinese trade exchange, and the decision to hold a summit of Soviet and U.S. leaders in November this year. Second, there is a strengthening of ties between the United States and its allies in the Far East, namely Japan and South Korea; the first visit to the United States by the Chinese president will take place, and an agreement on cultural, educational, and fishing exchanges will be signed, and possibly a nuclear agreement. Third, and the most important because it directly deals with Vietnam, is the ASEAN proposal of proximity talks between Vietnam and the Heng Samrin regime and the CGDK, along with the proposal of the Democratic Kampuchean side to withdraw from the CGDK if Vietnam agrees to withdraw its forces from Cambodia. These two proposals can be considered great concessions from peace-loving people among the ASEAN countries and from the Khieu Samphan resistance forces.

The Vietnamese leaders should make a careful analysis of various political events, in particular the report according to which the secretary of the CPV received a cold reception from the Soviet Union during his recent visit there. This ought to awaken the Vietnamese leaders to the fact that from now on Vietnam's efforts to commit aggression against neighboring countries will have adverse effects because they will be opposed by peace-loving countries which are increasingly strengthening ties among themselves and would probably receive support from their old friends as well.



During the past 10 years following the reunification of Vietnam, the country has made no effort to develop itself and to restore the economy to improve the people's living standards. Vietnam has instead expanded its influence and pressure against Laos and Cambodia and also oppressed the Vietnamese people themselves. This has resulted in many millions of Indochinese refugees. Neighboring countries and the international community have inevitably been the victims of Vietnam's erroneous foreign policy. Vietnam has been warned many times at the United Nations. Furthermore, Vietnam has suffered great losses through its aggressive policy in the military, political, and economic fields. More than 100 members of the United Nations have been adopting resolutions supporting the CGDK and demanding that Vietnam behave itself as a law-abiding member of international law and the UN Charter by withdrawing all its forces from Cambodia to let the Cambodian people decide their own destiny themselves free from the Vietnamese yoke.

Now is the time for the Vietnamese leaders to awaken and reconsider their foreign policy, particularly the withdrawal of 200,000 soldiers from Cambodia in conformity with the UN resolutions and in accordance with international law and the changing international situation, and for the real benefit of the Vietnamese people and nation.

#### NEW SUBVERSIVE GROUP INFILTRATING FROM LAOS

BK250908 Bangkok LAK THAI in Thai 11 Jul 85 p 6

[Text] The day guns fell silent was the day the communists in the jungles of the upper and lower northeast regions surrendered to the government. This silence, however, will probably be only temporary. There is a semiofficial report that the Army is watching movements of foreign forces in Laos. This concerns the "Phak Mai" Party under the leadership of Prasit Taphianthong. This party is divided into two groups. The first group infiltrates Thailand in Udon Thani, Nong Khai, Roi Et, and Knon Kaen. The second group infiltrates Nakhon Phanom and Sakon Nakhon by using the Don Tan area as a beachhead to receive cadres of Phak Mai from the other side of the Mekong River.

In fact, groups of Phak Mai have probably already infiltrated into Thailand and are awaiting a signal from Hanoi or Moscow to begin the final stage of the war to establish the Indochinese federation, which is to include Thailand's 17 northeastern provinces. The Phak Mai's movements are probably in conjunction with the mobilization of two Lao divisions. What is worth noting is that members of the Lao forces must be able to speak fluent central Thai dialect, or at least be able to speak central Thai like northeastern Thai people. There is no problem with them speaking northeastern Thai because it is similar to Lao.

EDITOR REVEALS RECENT PRC SHELLING OF HA TUYEN

BK251601 Hanoi Domestic Service in Vietnamese 1400 GMT 25 Jul 85

[From the feature: "Heighten Vigilance for National Defense" by editor Vu Dinh Vinh]

[Excerpt] Dear comrades and friends: China's military activities in the Vietnamese-Chinese border in general, and in the Ha Tuyen provincial border in particular continue to be a source of our concern. In recent days, Chinese artillery forces have fired tens of thousands of artillery rounds into the area of Vi Xuyen in Ha Tuyen Province. Especially on 19 and 21 July, they conducted fierce artillery shellings of various hills and villages in the area, thus perpetrating more crimes against our compatriots.

HANOI ON LAO NOTE TO U.S. EMBASSY ON MIA'S

BK251237 Hanoi International Service in English 1000 GMT 22 Jul 85

[Text] The Lao Foreign Ministry last week handed a note to the U.S. charge d'affaires in Vientiane on seeking U.S. military personnel missing in action during the war in this country. The note pointed out that the Lao Government has shown its humanitarian policy through concrete deeds such as the return of prisoners of war -- when the war ended -- and the remains of Americans, and the permission given to relatives of Americans missing in action to visit places where their planes were shot down and where the prisoners of war were detained.

The note said: The Lao Government will continue the seeking of Americans missing in action. To improve the relations between the two countries, the Lao Government hopes that the U.S. Government take a concrete and constructive action to respond to the humanitarian policy and goodwill attitude of Laos.

TRANSPORTATION COOPERATION WITH LPDR VIEWED

BK251330 Hanoi Domestic Service in Vietnamese 0015 GMT 18 Jul 85

[Station correspondent's article on Vietnam-Laos cooperation in the field of communications and transportation]

[Summary] "With the tradition of solidarity and fraternal friendship, Vietnam and Laos have worked shoulder to shoulder to strengthen their cooperation in the field of communications and transportation for several decades. Today, there is evidence of effective cooperation in communications between the two countries in all localities throughout Laos. These include roads in the northern mountain region of Laos such as the 60-km Route No 6 linking Nam Neun and Bang Hiang of Houaphan-Xiangkhouang Province, the 80-km Route No 27 linking (Na Meo), Thanh Hoa, Muang Liap, and Sam Neua; and the 130-km route linking Nam Kam, Plain of Jais, and Phonsavan."

Since 1975, communications and transportation facilities in Laos have been sorely needed. Vietnam has provided more materials and assigned more cadres to help Laos in this field. "The SRV-LPDR treaty of friendship and cooperation signed in 1979 has marked a very important turning point in the comprehensive cooperation between the Vietnamese and Lao peoples. Many new projects in the field of communications and transportation have been established and expanded in various forms."



Today, road builders of the two countries are enthusiastically carrying out these projects. In addition to their hard work, they have also learned new scientific and technological methods of road building. "Route No 9, a modern 200-km asphalt road in central Laos is the achievement of the fraternal friendship and cooperation between Laos, Vietnam, and the Soviet Union."

In addition to helping Laos build roads, Vietnam has also sent cadres to help Laos in transportation work. "On the average, Vietnam has annually transported to Laos from 50,000 to 70,000 metric tons of goods, thus serving the Lao people in all parts of the country."

Over the past 10 years, especially since the signing of the Vietnam-Laos Treaty of Friendship and Cooperation, the transit of goods to Laos has been accelerated. "During this period Vietnam has transported tens of thousands of metric tons of transit goods to Laos, excluding a large volume of materials and equipment given to Laos as aid by Vietnam. Moreover, Vietnam has also received hundreds of thousands of metric tons of goods from foreign countries for Laos through the port of Da Nang."

These are figures symbolizing the effective cooperation between the SRV and LPDR in the field of communications and transportation. The two countries, however, value most significantly the close fraternal friendship between the Vietnamese and Lao peoples.

#### PARTY OFFICIAL, LIBYAN ENVOY DISCUSS RELATIONS

OW241936 Hanoi VNA in English 1512 GMT 24 Jul 85

[Text] Hanoi VNA July 24 -- Tran Danh Tuyen, deputy head of the International Department of the Communist Party of Vietnam Central Committee, received here yesterday 'Abd al-Salim al-Arabi Munir, secretary of the People's Committee of the People's Bureau of the Socialist People's Libyan Arab Jamahiriya to Vietnam.

He exchanged views with the Libyan diplomat on the development of the existing friendship and cooperation between the two countries in the interests of the two peoples and the common struggle against imperialism, Zionism, apartheid and other reactionary forces.

#### NHAN DAN URGES RESOLUTION IMPLEMENTATION

BK251013 Hanoi Domestic Service in Vietnamese 2300 GMT 18 Jul 85

[19 July NHAN DAN editorial: "Implementing the Resolution of the Fifth Party Central Committee's Eighth Plenum, Let Us Improve Supply Management by Abolishing Bureaucratic Centralism and State Subsidy and Definitely Shifting to Socialist Accounting and Business System"]

[Text] Over the years, the management of supply, in general, and the handling of the circulation and supply of materials, in particular, have gradually been improved. Efforts to ensure sufficient materials for production, construction, and national defense strengthening, especially for essential tasks, key projects, and important products have shown much progress. Great effort has gone into the tasks of receiving imported materials and exploiting all sources of materials produced domestically. Efforts to inspect the use of materials and to guard against the damage, loss, and wastage of materials have been initially put on the right track.

Efforts to carry out improvement and rectification have been achieved in certain fields and certain sectors, but there has been a failure to do away with the centralized, bureaucratic, and subsidy-based system of management over the distribution, circulation, and supply of materials. The planning of the circulation and use of materials has still been heavily characterized by subsidization and formality. The price of materials has been much lower than the real value and has not been properly reflected in production costs. Various essential expenses and other vital conditions have not been accurately reflected in the process of determining discounts. In the circulation of materials, the problems of differences in prices and carrying out accounting in a way incompatible with facts have given rise to the existence of irrational procurement organizations and too many intermediary levels in the domain of supply distribution. Renovation of the procedures and policies concerning materials management, of the system of materials consumption norms, and so forth, has been slow. Materials procurement planning and distribution have not fully reflected the mandatory character of these tasks, have lacked steadiness, and have been marked by indiscriminate state subsidies. Materials procurement procedures and distribution are still highly troublesome and circuitous and have not yet provided timely support for the implementation of production and business plans in installations.

Satisfactorily improving materials management in the entire economic system is to show a thorough understanding and promote a practical implementation of the fifth party Central Committee's eighth plenum resolution, to resolutely do away with bureaucratic centralism and state subsidies, and to definitely shift to the socialist economic accounting and business system.

The organization and improvement of materials management should be carried in many fields and are the responsibility of numerous sectors and all localities. The most important objective is to build a new system of materials management based on the adoption of various policies in the domains of planning, finance, and prices and concerning the legal index system, the norms system, the division of labor, the division of responsibilities, the economic levers, and so forth. Renovation of the materials management system must be consistent with the requirement of the new situation -- that is, we must shift from the present sluggish, cumbersome, passive, and inefficient procurement and business method to a new, dynamic business method that is based on economic efficiency in business operations and on materials accounting and is closely linked to a planning system with a truly renovated content.

In the procurement of materials in support of the efforts to fulfill the state plans as well as the plans of production installations themselves, the buying and selling of materials must be carried out in strict accordance with the spirit of the party Central Committee's eighth plenum resolution -- that is, all economic factors including actual expenses must be accurately and fully reflected in the buying and selling prices, and installations must give a clear account of profits or losses concerning their materials procurement business. All activities in the materials procurement business are aimed at cutting costs in materials circulation and closely linking the materials procurement sector's business efficiency with the economic efficiency of social production.

The demand for supplies of the national economy and society will steadily increase in the coming years. An important task of the supply sector is to determine a strategy for creating sources of supplies that include both imported and domestically produced supplies. For this reason, in addition to satisfactorily carrying out the task of importing supplies, we should expand the supply procurement services of various business establishments in many different forms of activities, thereby increasing the trading capacity of the supply sector and creating additional sources of supplies to meet the demands of the state plans, the national economy, society, and people within the orbit of and according to the development of the new supply management system.



In carrying out the urgent rearrangement of the system of supply business and procurement organizations in the entire national economic structure as well as in each sector and locality according to a new organizational system, we must ensure adherence to the principle that specialization and comprehensiveness should be achieved in supply procurement and circulation, but the bulk of supplies must be allocated in a coordinated manner to production installations at the grass-roots and district levels. This system will create favorable conditions for business organizations to carry out economic accounting and achieve autonomy in supply business and procurement as well as in other domains such as profit distribution and wage payments according to a unified, comprehensive plan.

These organizations, including the general corporations of the goods supply sector throughout the country, are responsible for all work concerning the organization of various operations of the supply circulation process according to plan. In this way, supplies will be directly funneled from their sources -- foreign or domestic -- to production enterprises and establishments as well as district supply corporations through the shortest and most rational routes and in accordance with economic contracts.

On the basis of the general principles already formulated concerning models of organization, all ministries, sectors, and localities should revamp and recheck their own supply organization and eliminate all intermediary organs and irrational supply agencies that hinder business and production activities.

At the same time we should consolidate the upper-level management organs and improve their administration and leadership in accordance with the plans and tasks assigned to them. These organs should exercise their functions through supervision and readjustment of the implementation of plans. They should refrain from directly participating in the work of the specialized sectors so as to concentrate on administering the state management in the sectors placed under their charge.

The contingent of cadres in the supply sector must radically change the perception of their tasks and the way they organize the implementation of these tasks. They also need the attention and guidance of all sectors and levels. The most profound lesson drawn from cadre work in the supply sector over the past few years has been that any unit which satisfactorily performs its managerial duties will prompt its contingent of cadres to correctly implement the system of the party leadership, state management, and people's mastery.

The training of cadres for the supply sector must be urgently improved and revised -- from its methods and objectives to its programs -- and diversified forms of training must be used to raise the quality of the contingent of cadres in charge of supply procurement in the entire economic system. Special attention should be given to the training of economic leaders and managers and supply cadres at the district level to effectively satisfy the immediate demands as well as long-term cadre planning requirements.

Improving supply management on the basis of a thorough understanding of the party Central Committee's eighth plenum resolution is to contribute to fulfilling the targets and tasks of the state plans for 1985 and subsequent years.

RADIO REVIEWS TAP CHI CONG SAN JULY ISSUE

OW241107 Hanoi Domestic Service in Vietnamese 1000 GMT 21 Jul 85

[Excerpts] TAP CHI CONG SAN issue No 7 has come off the presses. Its editorial is entitled: Abolish the Bureaucratic, Subsidy-Based Mechanism, Definitely Switch to Socialist Economic Accounting and Business Transactions.

After pointing out the past serious consequences of the bureaucratic, subsidy-based management mechanism on production and people's lives, especially subsidies on commodity prices, the editorial affirms: We must definitely abolish the centralized, bureaucratic, subsidy-based mechanism and correctly apply the system of democratic centralism and socialist economic accounting and business transactions in order to accelerate socialist construction. Irrationalities in current prices and wages are at the core of the centralized, bureaucratic, subsidy-based mechanism. Abolishing the centralized, bureaucratic, subsidy-based mechanism on prices and wages is a very urgent requirement, a decisive assault in our efforts to definitely switch our economics to socialist economic accounting and business transactions.

The editorial says: Resolving questions concerning prices, wages, and money must be based on strictly abolishing the centralized, bureaucratic, subsidy-based mechanism, and must be carried out continuously, in a definite manner, without hesitation, and must not be done half way. It is necessary to resolutely oppose the conservative, sluggish tendency of maintaining the old system of management in an attempt to revert to the centralized, bureaucratic mechanism.

The editorial points out the objectives and main contents of the abolition of the bureaucratic, subsidy-based mechanism on prices, wages, and money as well as the concrete policies and measures to be carried out. It then affirms: Resolution No 8 of the CPV Central Committee Plenum of prices, wages, and money is the summing up of past leadership and guidance experiences in the distribution and circulation work of our party and state. This is a strong, profound change in our party's position and policy not only on prices and wages, but also on finance, trade, credit, and currency in an effort to thoroughly abolish bureaucratic subsidization and definitely switch to socialist economic accounting and business transactions, and create conditions for vigorously promoting our national economy by a new method.

On the tasks of the various echelons and sectors in implementing the resolution on prices, wages, and money the editorial underlines: In a situation where the changing economy is not yet stabilized, the current renovated policy on prices, wages, and money should be carried out urgently and resolutely. Careful calculations should be made to work out stable projects linked to the development of production and construction and the accomplishment of the new management mechanism. Policies and organization for implementing tasks must be homogenous and carried out on the basis of thoroughly understanding the view of abolishing the centralized, bureaucratic, subsidy-based mechanism.

We should see the positive aspect while being able to anticipate the possible temporarily adverse economic political, and social consequences, so that precautionary and corrective measures can be worked out in a timely manner.

All sectors and localities must adequately grasp Resolution No 8 of the CPV Central Committee on this issue and must have unified plans for gradual and steady implementation. All responsible central-level sectors should coordinate their activities in guiding and assisting the localities in implementing concrete policies concerning the new management mechanism.



Next is Comrade Le Quang Dao's article: **Strengthen Party Leadership Over Present Scientific and Educational Work.**

After pointing out the importance of scientific and educational work, as well as the related major issues, the article stresses the party's leadership over the present scientific and educational work.

The article says: Strengthening party leadership over the present scientific work is aimed primarily at making everyone perceive the party's policy and stand on the scientific and technological revolution clearly: providing leadership in guiding scientific and technological tasks and plans in the unified ecosocial plans of each locality and the country as a whole in both the long and short terms; training and fostering a contingent of scientific and technical cadres and technical workers for each locality and creating all conditions for developing their role; promoting the scientific and technical potential of both the central and local levels; and attaching great importance to integration of localities and grass-roots-level and central-level organizations.

On the present education task, the article stresses: It is necessary to make everyone clearly understand the party's policy and standpoint on education, its role, and the organic relations between education, training, and ecosocial objectives in order to mobilize the segregated strength of the entire party, the whole system of dictatorship of the proletariat, and the entire society in advancing education further.

Next is Comrade Tran Le's article: **Twenty-five Years of Activity and Development in the People's Control Sector.** The article notes the basic achievements of the Supreme People's Organ of Control over the past 25 years. Also published in this issue is Comrade Phan Hien's article: **Implement the Penal Code Well, Contribute To Strengthening the Socialist Legal System.** The article shows that the penal code, recently approved by the National Assembly, is a perfected document which provides stipulations in a consolidated and uniform manner for all matters relating to crime, punishment, and type of punishment, which manifests the entire crime policy of the party and the state in the current stage of revolution, and which reflects the development of our society.

The penal code was worked out by thoroughly understanding the requirements for implementing the two strategic tasks -- nation-building and defense of the socialist fatherland -- especially in the first stage of the period of transition to socialism, and for the simultaneous conduct of the three revolutions, the building of a new system, a new economy, a new culture, and a new socialist man.

The penal code, if correctly implemented, will be a sharp tool for the dictatorship of the proletariat, will guarantee party leadership, the people's right to collective mastery, and efficiency in managing the state. The article also points out measures for organizing the implementation of tasks in order to adequately develop the impact of the penal code.

Also featured in this issue is Comrade Dao Thien Thi's article: **Improve Wages.** The article presents the objectives, requirements, and contents for the present wage improvement and stresses: Wage improvement must be done systematically and uniformly along with the adjustment of prices, finances, and currency, and must be geared to the requirements and limited capacity of our national economy.

It is necessary to highly concentrate the joint efforts of economic plans and budget based on the primary objective -- the people's life -- and primarily, improve the wages for workers, civil servants, and the Armed Forces. The current wage improvement is also a very basic plan designed to thoroughly abolish the bureaucratic, subsidy-based system of management in prices and wages; ensure that wages will be sufficient for the reform of the labor force; and better grasp the principle of distribution according to the work done.

It is necessary to improve pay scales, pay tables, allowances, and incentives in order to unify payments across the country -- with differentials for different areas and cost-of-living allowances for different regions and periods of time. Actual wages will be insured for the worker and will become an efficient economic lever for economic, financial, and worker management.

Then comes Comrade Pham Van Tien's article: Some Urgent Issues for Improving the Current Price Policy. After pointing out the irrationalities of the past pricing policy, the article points out the gist of state guidance and management of the pricing domain at present: rebuild the state pricing system for the social products most important to the economy in order to determine a new, more appropriate level of prices on the domestic markets in accordance with the requirement of truly reflecting the value of commodities and the buying power of currency, and in order to create favorable conditions for developing production expanding goods circulation; carrying out the auditing and general auditing of the national economy; and implementing socialist business with output, quality, and efficiency as the foremost objectives.

Then comes Tan Binh's article: Some Experiences in Improving Distribution and Circulation and Abolishing the Bureaucratic Subsidy-Based Mechanism in Long An, and Tung Van's article: Positive Results in Paying Higher Wages to Compensate for Higher Commodity Prices and Systematically Incorporating Production Costs Into Wages in Quang Nam-Da Nang. The two articles prove that the shifting of the system of paying wages partly in kind to the all-cash system of payment and the systematic incorporation, through economic accounting, of production costs into wages at a number of enterprises has greatly benefited management and further promoted positive aspects in the economy to combat negativism in society as well as the state machinery.

Thanh Thanh's article: Trading Is the Only Way To Get Rich, in the Ideological Life column, criticizes the practice, by a number of persons in our society at present, of enriching themselves through illicit trading.

On the occasion of the 700th anniversary of our people's victory in the war of resistance against the yuans, 1285-1985, the issue carries Nhuan Vu's article: Predictable Victory or Defeat. Also published in this issue is Ta Quang Chien's article: Strive for Vigorous Developments in Socialist Physical Education and Sports. The article points out the initial achievements and progress of our country's physical education and sports in the past as well as guidelines for the future.

On the occasion of the 50th anniversary of the Seventh Comintern Congress, 1935-85, the issue publishes the article: The Seventh Comintern Congress and the Task of Struggle in Defense of World Peace. After analyzing the contents and significance of the Seventh Comintern Congress in 1935, the article stresses: Today's world situation is far different than 50 years ago, but the decisive struggle against imperialism, against the danger of war, and for peace still continues at an extremely pressing pace. Therefore, the lessons of the Seventh Comintern Congress on struggle against imperialist wars still take on a profound epochal significance.

On the present struggle to preserve world peace, the article points out: Today's world situation is more tense and complicated than at any time in the past 40 years. The danger of a new world war, resulting from U.S. imperialism's feverish war preparations, is posing a threat to mankind. The struggle for peace is now a pressing, foremost task for people of all countries and for all men of conscience. Remembering the serious losses inflicted on the world's peoples in World War II, we are all the more determined not to allow a nuclear catastrophe to happen, determined to stay the warmongering hand of U.S. imperialism and its cohorts, and determined to prevent a new world war before it happens.



AUSTRALIAREPORTAGE ON DISARMAMENT TALKS WITH PRC

## Hayden Urges Treaty Signing

BK250948 Melbourne Overseas Service in English 0830 GMT 25 Jul 85

[Text] Australia's foreign minister, Mr Bill Hayden, has urged China to become a signatory of the Nuclear Nonproliferation Treaty. Mr Hayden was speaking in Canberra at the opening of 2 days of talks on disarmament and arms control with a visiting Chinese delegation led by China's deputy foreign minister, Mr Qian Qichen.

Mr Hayden told the delegation that he believed the Nonproliferation Treaty to be the key to effective prohibitions on nuclear weapons. In his reply, Mr Qian called on the United States and the Soviet Union to pursue an arms control agreement so that East-West relations could be relaxed.

Before leaving Beijing, however, Mr. Qian told Radio Australia China was against nuclear proliferation but did not support the treaty because it discriminated against nonnuclear countries.

## Talks With PRC End

BK261300 Melbourne Overseas Service in English 1230 GMT 26 Jul 85

[Text] Australia's minister for foreign affairs, Mr. Hayden, says there are substantial areas of agreement between Australia and China on arms control and disarmament. Speaking in Canberra at the end of 2 days of high-level talks between Australia and China, Mr Hayden said differences emerged on the subject of China's reluctance to sign the Nuclear Nonproliferation treaty. However, he said Australia had received support from China for the proposal for a Pacific nuclear-free zone and had received strong encouragement for its effort to complete a chemical warfare convention.

The head of the Australian delegation, Mr Duncan Campbell, said there was also the strong impression from the Chinese delegation that China had no intention of resuming atmospheric nuclear tests. The Chinese delegation was led by a deputy foreign minister, Qian Qichen.

SRV SPOKESMAN INTERVIEWED ON DIPLOMAT ATTACKS

BK251215 Melbourne Overseas Service in English 1110 GMT 25 Jul 85

[From the "Australian Insight" program moderated by Tony Hill]

[Text] Vietnamese diplomats in Australia have suffered a series of attacks recently which are threatening relations between Hanoi and Canberra. As John Lombard reports from Canberra, the incidents have become an embarrassment to the federal Labor government of Prime Minister Bob Hawke.

[Begin recording] [Lombard] In the latest incident 2 weeks ago, two shots were fired at a bedroom window around midnight at the chancery. The bedroom was unoccupied at the time and Australian federal police are still investigating. Earlier, two embassy diplomatic staff were punched and kicked by Vietnamese dissidents at a Canberra market, and before that, the ambassador was punched when he left Parliament House.

There are tens of thousands of Vietnamese who came to Australia as refugees after the fall of Saigon -- now Ho Chi Minh City -- in 1975. Many of them had to leave behind families and friends, and they still harbor deep resentment against the communist regime. But Australia, under the Labor government, has made great efforts over the past 2 years to improve relations with Vietnam.

The foreign minister, Mr Bill Hayden, wants Vietnam to have closer contact with Western nations so that Hanoi lessens its dependence on the Soviet Union. The Australian Government has also been negotiating with Hanoi for some time to enact what is known as an orderly departure program for Vietnamese still in Vietnam wanting to come and join relatives in Australia.

The Vietnamese Government has been cooperating, but these recent violent incidents against the diplomats could mean an end to the program. Spokesman at the Vietnamese Embassy in Canberra, Mr (Ly Thien Ba):

[Ly Thien Ba] We see that the accidents committed by some of the Vietnamese extremists here in Australia against our diplomats and students, are sabotaging the development of the relationship between our two countries.

[Lombard] So you regard this as quite serious?

[(Ly Thien Ba)] Well, it is.

[Lombard] Could the incidents affect the relationship between Hanoi and Canberra?

[(Ly Thien Ba)] If this will not be solved satisfactorily, well, it will be certainly affect our relationship.

[Lombard] Have you protested to the Australian Government about the incidents?

[(Ly Thien Ba)] Yes, we have reported every case to the Australian Government because, you see, we -- our government -- and the Australian Government have come to an agreement that we will together settle the...solve the problem.

[Lombard] And has the Australian Government been able to give you reassurances about the security of your diplomats?

[(Ly Thien Ba)] They have responsibility to protect every foreigners who work here in Australia, and in our case, they promised that they will take up some measures to provide security for our diplomats here to function our normal functioning.

[Lombard] And are you satisfied with those precautions?

[(Ly Thien Ba)] Well, we believe that the Australian Government will at once take measures to provide opportunities for us to do our normal functions.

[Lombard] What effect do you think these incidents could have on the orderly departure program which the Australian Government believes is very important?

[(Ly Thien Ba)] Well, if these acts of violence are not ended, we will certainly consider our commitment to the ODP.



[Lombard] You mean that people will not be able to leave Vietnam and come to Australia under the program?

[(Ly Thien Ba)] Well, we will have to consider it.

[Lombard] That will be quite a serious step for you.

[(Ly Thien Ba)] Oh, yes. Yes.

[Lombard] That you treat the situation so seriously that you will consider that?

[(Ly Thien Ba)] Well, it is a very seriously indeed.

Mr (Ba) from the Vietnamese Embassy. A spokesman for the department of Foreign Affairs said the government deplores the acts of violence, and we will take what he called appropriate steps in the court. The government, he added, was also taking security precautions to protect embassy officials. And the spokesman noted that the violent attacks on Vietnamese property and officials could hinder the process of developing more productive overall relations and had adverse effects on the orderly departure program. [end recording]

#### MELBOURNE RADIO PROGRAM ASSESSES PNG AID TALKS

BK250417 Melbourne Overseas Service in English 1110 GMT 24 Jul 85

[From the "Australian Insight" program moderated by Judith Hinckey]

[Excerpts] In this edition of Insight the issue of Australian aid to Papua New Guinea which this year amounted to more than \$300 million, about 40 percent of all the international aid funded from Canberra and providing about 30 percent of Papua New Guinea's national budget. The current bilateral aid agreement runs until next July and the terms for the next 5-year agreement are already being negotiated. Australia is proposing that under the new agreement Papua New Guinea should get less aid each year, thus reducing its dependence on Australian assistance, as was recommended in the Jackson Committee's report on Australia's overseas aid program.

The argument now appears to be about the exact percentage of that annual cut in aid, with Papua New Guinea asking for a more gradual rate of aid reduction than Australia is proposing. Prime Minister Michael Somare emphasizes Papua New Guinea's dependence on fluctuating world prices for the commodities and minerals which earn her export income as the reason why his country will need to rely on Australian aid for another 5 to 10 years.

[Begin Somare recording] When Papua New Guinea is really self-sufficient in what it can do for itself, then you can start talking about drastically cutting from the aid that comes from Australia. So we are going to enter into another agreement with Australia for next 5 years. (?Still), I know what is likely to happen in Papua New Guinea -- future growth prospects, future oil, or any new discovery of mineral. It may pay for us one day to be able to cut out foreign aid completely. But at this moment we cannot.

We are on the understanding in our previous agreement, if we make more than 60 to 70 million kina a year from [words indistinct] copper, it means that we will let the Australians know this much -- maybe 1 percent or minus 1 percent can be cut out from your aid to us. But if the copper prices are bad, if the commodity prices are bad, we have to say to the Australians, we think next year we should be able to raise enough money ourselves. Because of this reason we are putting this proposal to the Australian Government. [end recording]

Cuts in Australian support for its former colony's economic development also have significant political implications, according to Pacific affairs analyst (Denis Reinhart). He suggests that what has been regarded as a special relationship between the two neighbor nations may be undergoing fundamental changes.

[Begin (Reinhart) recording] Michael Somare has spent the past few days in his Sebik home territory away from the increasingly astute and questioning Papua New Guinea media. Everyone wants to know how the aid negotiations are going with Australia. The reasons why Somare's negotiators have made so little impact with the Hawke government -- and not just because of budget constraints in Canberra, or even that too many Port Moresby officials are seen to have grown personally richer -- is because it is now widely perceived that the relationship between the two countries is not what it once was.

Furthermore the word is getting through to Canberra that Michael Somare is losing momentum. Increasingly, public servants such as Foreign Secretary Paulias Matane, are seen to be defining policy. Domestically, Somare -- long the master of Papua New Guinea politics -- is assailed almost from all sides. The state of emergency in Port Moresby has brought respite from the cause of protests about violent crime, but his talented former assistants are now either in opposition or neutered on the back-bench. His only pragmatic political ally -- National Party leader, Iambekey Okuk, is someone who does not want any ministry. Okuk is keeping up the pressure.

Somare's former deputy and now opposition leader, Palias Wingti, is continuing to make overtures to two of Somare's most able party members -- (Barry Halliway) and (Parisela Gould). For former enemies, they are getting on remarkably well with Wingti. This has worried Somare, for Wingti is like only one other challenger he has faced before. Wingti is not rushing to become the next prime minister just like, Sir Julius Chan. He wants to build his support on the floor of parliament without buying votes. That way, he argues he can be sure his supporters will not be bought by the higher bidder. Wingti claims to have the support of 42 MP's -- just barely 13 short of a majority on the floor of parliament. He is planning to press the government on its performance on the aid negotiations when parliament resumes soon. And Wingti's criticisms are not falling on deaf ears in Canberra.

He is arguing that the Somare ministry should be seen to cut back government expenditure. That way, Australians will know that Papua New Guinea is serious about its budgeting. With views like that, there is no doubt Mr Wingti will be sought out by Bob Hawke when he flies to Port Moresby to celebrate the 10th anniversary of independence on 16 September. Coincidentally, Mr Hawke is expected to sign the new aid package during his visit. [end recording]



SUHARTO SIGNS DIRECTIVE ON TRADE WITH PRC

HK241338 Hong Kong AFP in English 1105 GMT 24 Jul 85

[Text] Jakarta, July 24 (AFP) -- President Suharto today signed a directive governing the implementation of direct trade with China, paying the way for the departure Friday of Indonesia's first trade delegation to Beijing in 18 years.

The presidential instruction was addressed to six ministers, commanders of the Armed Forces, Indonesia's Central Bank and the National Intelligence Coordinating Agency Bakin.

The 94-man delegation, expanded from 80 at the last moment to include officials of state banks and trading companies, is to be headed by the president of Indonesia's Chamber of Commerce and Industry (Kadin), Sukamdani Gitosarjono.

The instruction followed the signing of a memorandum of understanding in Singapore July 5 by Kadin and the Chinese Council for the Promotion of International Trade (CCPIT). The memorandum has since been approved by both governments. Mr Sukamdani was quoted as saying today that following government approval, he expected Kadin and the CCPIT jointly to set a date on which the memorandum could take effect, and that that date would probably be agreed on in Beijing.

Observers said the instruction signed today covered most of the same ground as the memorandum, and stipulated that trade transactions would be carried out through letters of credit or other procedures based on cash payments in convertible currency. It said Chinese traders wanting to visit Indonesia could obtain visas through Indonesian representatives in Singapore or Hong Kong and that they should have in hand invitations from Kadin, business associations, state enterprises or private companies.

It also said that "in principle" all Indonesian citizens and personnel of state enterprises may visit China for trading purposes.

Ships of either country or a third country will be able to carry goods to Indonesia's four main ports, and the crews of Chinese merchant ships will be granted shore leave within respective port areas, it said. The instruction formalized the position of Cabinet Secretary Mardiono, who also is a junior minister as coordinator of all efforts to expand trade with China.

Jakarta froze diplomatic and direct trade ties with Beijing in 1967 after accusing China of complicity in an abortive coup attempt in 1965. Government ministers have stressed in recent months that the reopening of trade ties should not be interpreted as a step towards full scale diplomatic relations.

Trade Group Leaves for PRC

HK260620 Hong Kong AFP in English 0553 GMT 26 Jul 85

[Excerpts] Jakarta, July 26 (AFP) -- The first government sanctioned Indonesian trade mission to go to China after an 18-year freeze in relations left Jakarta today. As the mission left, a leading government intellectual was quoted in front page news reports as saying direct relations between Indonesia and China would be important to the stability of the region.

The two-week long trip, which follows the signing of a memorandum of understanding in Singapore July 5, will mark the reopening of direct trade after an 18 year gap.

The two Asian countries have been carrying out indirect trade through Singapore and Hong Kong.

Indonesia froze diplomatic and trade relations with China in 1967 after Jakarta accused Beijing of complicity in a coup attempt two years earlier. Diplomatic relations are still suspended.

The mission, headed by Chamber of Commerce and Industry (Kadin) President Sukamdani Gitosarjono was scheduled to stop over in Singapore before travelling on to Beijing, Canton and Shanghai.

Mr Mokhtar later today told journalists "this is trade for trade only and has nothing to do with political matters, in particular the process of normalization." Asked to comment on Chinese assertions that Beijing had no relations with outlawed communist parties in Asia, the foreign minister said Indonesia had sought clarification of these statements through its United Nations office in New York.

#### TIMES PRAISES AUSTRALIAN STAND ON REFUGEES

BK250511 Jakarta THE INDONESIA TIMES in English 20 Jul 85 p 2

[Editorial: "Australia's Farsightedness"]

[Text] Australia has shown her farsightedness and wisdom in refusing permit to 5 people from Irian Jaya province to stay in Australia as refugees. In addition to the fact that their refugee status is still doubtful, if Australia gave them a permit to stay it would have set a precedence for the rest of likeminded persons to swarm Australia with the hope of easy and better living.

Foreign Minister Mokhtar Kusumaatmaja welcomed on Thursday this wise decision of the government of Australia. In doing this, he certainly expressed the feeling of the people and the government of Indonesia. Australia has also exhibited her farsightedness and wisdom by refusing to grant a radio licence to an Australian group (Australian Coalition for East Timor) seeking to establish a two-way radio link between Darwin and separatist Fretilin forces in East Timor.

Earlier, when news report limelighted the existence of a two-way radio link between the Australian coalition group in Darwin with Fretilin in East Timor, the government of Indonesia requested the government of Australia to do everything in its power to stop the link and deny the group facilities and right to operate the radio link so that the existing cordial and friendly relations and cooperation between the two countries might not be jeopardised. Obviously to comply with the request and with international practice, the Australian government has refused to grant the radio licence to the group. In doing so, Australia has shown her resolve to maintain her cordial and friendly relations and mutually beneficial cooperation with Indonesia. The people and the government of Indonesia are appreciative of the steps taken by the Australian government and will not fail to reciprocate.

If both sides continue to maintain towards each other this praiseworthy attitude, we are but sure that friendly relations and mutually beneficial cooperation between the two neighbouring countries will grow from strength to strength.



MALAYSIAN. KALIMANTAN CP MESSAGE TO CPM ON ANNIVERSARY

BK251506 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 25 Jul 85

[Greetings message from the chairman of the North Kalimantan Communist Party Central Committee to the Communist Party of Malaya Central Committee on the occasion of the 55th anniversary of the establishment of the Communist Party of Malaya]

[Text] To the Communist Party of Malaya [CPM] Central Committee: Beloved comrades: On the occasion of the 55th anniversary of the birth of the CPM, we the North Kalimantan Communist Party [NKCP] extend the warmest greetings to you. The CPM strictly adheres to the combination of Marxism-Leninism-Mao Zedong's thought with the concrete practice of the Malayan revolution. Under extremely difficult and complicated circumstances, the CPM has been courageously leading the people of all nationalities in a long-term struggle for their own basic interests and has made important contributions to the efforts to achieve national liberation in Malaya. The CPM has accumulated abundant experience over the past 55 years. At present, the party is continuously leading the multiracial people in various fronts to fight for freedom and democracy and to establish a coalition government comprising various parties and all nationalities.

We are fully confident that the Malayan revolutionary struggle will certainly move ahead in great steps under the CPM's new program. The CPM consistently sympathizes with and supports the struggles of the Third World, particularly the revolutionary struggles of the Southeast Asian people. The party has made valuable contributions to the proletarian revolution.

The NKCP and the CPM have maintained intimate friendship like between lips and teeth. The solidarity between our two parties will certainly be further strengthened and developed in common efforts to achieve the revolutionary proletarian revolution. The CPM's valuable experience has set an excellent example for us. Every victory that you have achieved motivates us to move ahead.

We are confident that our revolution will continue to move ahead and develop despite the present deadlock and ups and down provided that we strictly adhere to the principles of combining Marxism-Leninism-Mao Zedong's thought with the concrete practice of our revolution, persevering efforts to develop the party into a truly revolutionary and united party, adopting strategies and tactics suited to the present revolutionary situation, and doing our best to unite with all forces that can be united to form a broadly based united front and launch a logical, favorable, and limited struggle.

We sincerely hope that the revolution being waged by all the Malayan people will achieve a greater victory under the leadership of the CPM headed by Comrade Chin Peng.

[Signed] Wen Ming-chuan, chairman of the NKCP Central Committee

[Dated] 30 April 1985.

MARCOS TO WAIT FOR WORD FROM REAGAN ON BASES

HK251417 Manila PHILIPPINES DAILY EXPRESS in English 25 Jul 85 pp 1, 7

[Text] President Marcos was informed yesterday by U.S. Ambassador Stephen Bosworth that the United States "has no intention" to deliberately violate the provisions of the RP-U.S. military bases agreement. In a conversation in Malacanang, Bosworth said that the Reagan administration is optimistic that the level of the entire compensation package will be much more than what some quarters in the U.S. Congress want this to be. Bosworth expressed confidence that the compensation package for 1986 would be more acceptable to both the Philippine and U.S. governments.

Leaders of the ruling KBL, particularly members of the Batasang Pambansa, have expressed their dissatisfaction over the mix of the compensation package recently approved by the U.S. House of Representatives, reducing the military portion from \$100 million to \$25 million and raising the economic assistance from \$95 million to \$155 million, thus trimming \$15 million from the original proposal of the Reagan administration.

While approving the Reagan administration's proposed package of \$195 million, the Senate approved a non-binding resolution imposing certain "conditions" on the grant of the compensation package. Under the 1983 amendment to the bases agreement the Reagan administration pledged to work for a total of \$900 million as compensation for use of military facilities in the Philippines for the next five years.

Bosworth told the President that the recent congressional action was not the official U.S. government position on the compensation package. Bosworth had informed the President that the Reagan administration was still working for the compensation level as it had originally proposed. The President, reiterating his position, told Bosworth: "We are still waiting for the formal message of President Reagan."

The Chief Executive further said: "We are not going to act on the statements of individual members of your congress or any other instrumentality of the U.S. government."

"However, it may be necessary now to prepare for a clarification of our respective positions in relation to the implementation of the military facilities agreement," the President said.

Bosworth said that the congressional conference committee reconciling the positions of the U.S. House and Senate on the foreign aid bill will meet before the end of the month. This could indicate that the U.S. Congress is moving toward the performance of what it considers its obligations under the military facilities agreement between the Philippines and the U.S.

MP Arturo M. Tolentino urged yesterday Batasan members to take a non-partisan stand on the bases abrogation issue after noting a division of the assembly which he said was apparently based on party affiliation. Tolentino, chairman of the Batasan committee on foreign affairs, said that he has noticed a "cleavage in the Batasan where the opposition has taken a stand contrary to that taken by Defense Minister Juan Ponce Enrile and the signatories to his resolution."

He told the Pasay City Rotary Club, Tolentino said Enrile's resolution calling for the abrogation of the country's bases pact with the U.S. has been endorsed by 84 assemblymen, almost half of the Batasan. [sentence as published]



"But it was a partisan stand," Tolentino said, "I think in the case of the bases agreement, we should stand as a people. It is not an issue between the KBL and the opposition. It is an issue that the Filipino people must wake up as a nation," Tolentino said. He cautioned against partisanship on the matter so as "not to weaken whatever stand we will take in the future" on the presence of U.S. bases in the country.

With the resolution scheduled to be taken up by the foreign affairs committee next week, Tolentino expressed fears over a possible diversion of the country's attention from other important problems besetting the country. Amidst what Tolentino called "hysteria" over the bases with the ongoing discussions in the press, the batasan, and on other fronts, Tolentino said it is important that the people do not get "heated up or emotional because of wrong perception of facts."

Tolentino said that although the military bases agreement has become an irritant in RP-U.S. relations, "we cannot unilaterally abrogate the bases agreement, before 1991, the expiration of the agreement. What the country can achieve out of saying it no longer wants to be bound by the agreement, is just mere "manifestation of what we want."

Tolentino cited the case of the U.S. facilities in Cuba. He said Fidel Castro signified his intentions to close the bases in his country because of American intervention in Cuban affairs. The bases still remain, because Cuba, on its own, cannot terminate the agreement, Tolentino said. There are, however, at least two benefits that the country can derive from the on-going discussions, he said.

"First, it may make U.S. congressmen realize they are antagonizing the Filipinos with what they're doing with the appropriations for military and economic assistance to the Philippines," the former foreign minister said. Second, the Americans are already put on notice about Philippine dissatisfaction with the agreement, he said.

#### CARDINAL SIN VIEWS U.S. PROPOSAL ON FOOD AID

HK251541 Hong Kong AFP in English 1537 GMT 25 Jul 85

[Text] Manila, July 25 (AFP) -- Manila Primate Jaime Cardinal Sin today said the U.S. Congress' proposal to channel food aid to the Philippines through private and church agencies did not mean it distrusted President Ferdinand Marcos' government. "It should not be seen as an anti-government move. Rather, it should be viewed as pro-people. For we must admit that a great number of Filipinos needs assistance from every possible source," Cardinal Sin told VERITAS news magazine in an interview.

The U.S. House of Representatives earlier this month voted to channel 25 per cent of the 78 million dollar U.S. development and food aid to the Philippines this year through the Roman Catholic Church and other non-government organizations. Previously, the government had been the chief dispenser of U.S. food aid to this country, which hosts the two largest U.S. overseas military bases. The ruling New Society Movement (KBL) party branded the proposal as "an insult to the Filipino people."

The influential Cardinal Sin, one of Mr. Marcos' most vocal critics, told the church-supported magazine that "it was only logical that it (the church) should be asked to assist" because of the magnitude of the aid. "If the American authorities finally decide that part of the aid should be coursed through the Catholic Church, then the church should agree."

"But it should do so with the understanding that it is doing so not because it wants to build itself up, but as part of its service to the poor of Christ," the cardinal added. The church wields tremendous influence among 54 million Filipinos, 85 per cent of whom are Roman Catholic.

COMMENTATOR NOTES MACAPAGAL'S REMARKS ON BASES

HK250847 Quezon City Maharlika Broadcasting System in English 0100 GMT 25 Jul 85

["Analysis of the News" by Teodoro Valencia]

[Text] Defense Minister Juan Ponce Enrile (? has hit) former President Diosdado Macapagal because of what the former president said about the resolution filed by Enrile asking for the renegotiation of the bases agreement and possibly also the abrogation of existing defense arrangements with the United States.

According to Enrile, the statement of the former president was that we are blackmailing the American Government. Enrile said, and we quote: It is sad for Filipinos to have a former president apparently supporting the cause of American interests instead of joining his Filipino countrymen in asserting their dignity and honor. I personally (? insist): Don't blame President Macapagal. You will recall that [words indistinct] the declaration of martial, former President Macapagal sought asylum in the United States Embassy but he was refused asylum after the American Government told him that he was in no danger, that the asylum he was seeking was unnecessary. And of course the Americans were right.

Nobody will touch former President Macapagal no matter what he does or says because that is the measure of respect this country has for anybody who was a former president. But you cannot blame the former president for worrying because of these rumors floating around that possibly President Marcos might declare martial law again at some time in the future.

Actually, by the statement of Macapagal that the Philippines [word indistinct] when Minister Enrile and other members of the Batasang Pambansa are blackmailing the United States, he might earn asylum the next time around. [Words indistinct] Should Mr Marcos declare martial law again, Mr Macapagal hopes the Americans will this time give him asylum after the way he is taking sides, the side of the Americans, in the ongoing controversy regarding the payment for the use of the Philippine military bases by the Americans.

The statement of Mr Macapagal was more or less in the same vein as the statement given by Representative Stephen Solarz who said that this resolution filed by Enrile and other members of the Batasang Pambansa would come under the heading of posturing. Actually, Mr Solarz was right. Unless we can [words indistinct]; in other words, there is nothing we can do to drive out the Americans from those bases because they have the clout, they have the manpower, the nuclear bomb and other deadly weapons, so the Filipinos do not expect to have their will done in their own country for as long as the United States wishes to stay here, rent or no rent.

And in this light, Mr Macapagal is playing it very safe. He knows he's on the side that can only win, even if it's the side of the other fellow and not of his countrymen.

VIRATA CONFIRMS FILIPINO PROPERTY ACQUISITIONS

HK260549 Hong Kong AFP in English 0433 GMT 26 Jul 85

[Text] Manila, July 26 (AFP) -- Prime Minister Cesar Virata today confirmed that prominent Filipinos had acquired hidden wealth abroad, and said the Philippine Government had been trying to recover these properties.



Reports here have named President Ferdinand Marcos and other senior Philippine officials as owning property abroad, and the affair has led to an opposition clamor for Mr Marcos to resign.

Mr Virata told AGENCE FRANCE-PRESSE today he was aware of Filipino investments abroad which might have been acquired illegally. "But I do not know ... whether we have the right to confiscate them," he added.

The prime minister's comments came after he left a business forum sponsored by the junior chamber of commerce here. Mr Virata did not name any Filipinos allegedly involved in a property scandal now shaking this country, although he admitted the Philippine Government has been "attempting in various ways" to recover these properties.

The property scandal began when a California newspaper, the SAN JOSE MERCURY NEWS, alleged that President Marcos, his wife Imelda and a cluster of public officials were owners of multi-million dollar properties in the United States. Mr Virata was not named in the report. The allegations sparked opposition calls for the resignation of Mr Marcos, with opposition M.P.'s accusing the president of "economic sabotage" and threatening to file impeachment charges against him.

While dismissing reports of large Filipino property holdings in the United States as "rumors and gossip", Mr Marcos has ordered the Justice and Foreign Ministries to investigate the reports. He said the probe would include public officials and private citizens "regardless of their political leanings." However, Justice Minister Estelito Mendoza, in charge of the investigation, has excluded the Marcoses from a list of people he asked to explain their alleged U.S. holdings.

Mr Virata said today that the government could only prosecute Filipino property owners abroad if they violated Central Bank regulations and did not report their holdings in their income tax. The Philippine economy registered a negative 5.5 percent growth rate last year as the country reeled from a crisis spawned by the August 1983 murder of Mr Marcos' chief political rival Benigno Aquino, blamed by state prosecutors on the military.

#### GROUPS URGE PUBLIC PROBE OF PROPERTY CHARGES

HK260913 Quezon City VERITAS in English 21 Jul 85 p 14

[Advertisement]

[Text] Leadership and Honor

Recent newspaper reports have revealed some large overseas investments made, directly or indirectly, by high-ranking officials of the Government and by businessmen generally known to be close to the Government. These reports have become a serious matter of public concern, particularly at a time of extreme economic and financial difficulty in the country.

We are concerned, firstly, with the legality of these investments. There is nothing wrong per se with making legitimate investments abroad, if the funds have been legitimately acquired and declared, in conformity with existing rules and regulations. But above all, we are concerned with the morality of these investments. The public has often been told that it is the dissipation of the country's foreign exchange resources which has led to the present difficulties which now demand the sacrifice of everyone.

Considering these issues, it is incumbent upon government to respond to these concerns by undertaking a full and public investigation of these reported overseas investments, through an independent panel, and not by any Cabinet Minister who may be deemed an alter ego of the President under our administrative law. Decisive action on the part of Government is essential if it is to earn the people's cooperation in the task of national recovery.

Public office is a public trust. Today, more than ever, leadership and honor must be one and indivisible.

Makati Business Club

Employers Confederation of the Philippines

Bishops-Businessmen's Conference for Human Development

Financial Executives Institute of the Philippines

Catholic Lawyers Guild

Harvard Business School Association of the Philippines

All Asia Bar (Philippine Chapter)

Management Association of the Philippines

Philippine Chamber of Commerce and Industry

Catholic Educational Association of the Philippines

Philippine Bar Association

Council of the Laity of the Philippines

Philippine Association of Management Accountants

Corporate Planning Society of the Philippines

#### CONTROL OF POLICE PUT UNDER PRESIDENT'S OFFICE

HK251441 Manila BULLETIN TODAY in English 25 Jul 85 pp 1, 10

[Text] All units of the Integrated National Police (INP) throughout the country are now under the administrative control and supervision of the National Police Commission (Napolcom). This is provided in Executive Order No 1040 signed by President Marcos last July 10, copies of which were presented to newsmen yesterday by the Napolcom during their newsmen's meeting and election of officers.

The order, which also transferred the Napolcom from the Ministry of National Defense to the Office of the President, superseded Executive Order No. 1012 which transferred to the city and municipal governments "operational, supervision and direction over all units of the INP." The new order said that the transfer is in "furtherance of the constitutional mandate for the integration of the INP."



Because "there is no existing organization with the Office of the President to assist in the exercise of the power of administrative control and supervision over all INP units," the order said, "it thus becomes necessary to return the National Policy Commission to the Office of the President to serve as the Presidential arm in all matters affecting the INP." The order provided that "all such appropriations for the INP for the current year as may be necessary to implement this Executive Order shall be transferred to the National Police Commission after consultation among the chairman of the National Police Commission, the director-general of the Integrated National Police, the minister of the budget, and all other agencies concerned."

#### MARCOS NAMES NEW SUPREME COURT CHIEF JUSTICE

HK250843 Dagupan City DZDL Radio in Tagalog 0445 GMT 25 Jul 85

[Text] President Ferdinand Marcos yesterday swore in Associate Justice Felix Makasiar as chief justice of the Supreme Court. Makasiar replaces retiring Chief Justice Enrique Fernando who recently turned 70. The Constitution states that Supreme Court justices may serve only until their 70th birthdays. Makasiar is now the 13th Supreme Court chief justice.

Commenting on the appointment to the highest judiciary position, Marcos said that in his eyes Makasiar is the man best qualified to take up the post because of his legal scholarship and expertise in constitutional law. During his 45 years as a legal trustee of the government, Makasiar acted as collector general and secretary of justice; he was appointed Supreme Court associate justice by Marcos on 2 August 1970. He was also a judge of the now defunct Court of First Instance and an undersecretary of justice. He graduated from the University of the Philippines [UP], class of 1939, as salutatorian cum laude and was a classmate of Marcos' at the UP law school. Makasiar has also been the chairman of both the Supreme Court's Second Division and the Judiciary Committee.

Claudio Teehankee automatically becomes acting chief justice. In accordance with legal tradition, as the most senior justice of the high tribunal, he should have been named chief justice. This is in line with Marcos' Republic Act (7296) under the Judiciary Act of 1948. Appointment of Makasiar has broken this tradition. Teehankee is facing Bataan proceedings initiated against him by MP Arturo Pacificador on the issue of his citizenship.

Besides Teehankee and Makasiar, the other justices in the high tribunal are [name indistinct] Ramon Aquino, Hermogenes Concepcion Jr, Vicente Abad Santos, [name indistinct], Herrera Efren Plana, [name indistinct] Lorenzo Relova, Hugo Gutierrez Jr, Buenaventura Dala Prente, [name indistinct], and Victor Alampay.

#### MILITARY TASK FORCE LAUNCHES DRIVE IN BATAAN

HK251433 Manila BULLETIN TODAY in English 25 Jul 85 pp 1, 10

[By Efren Molina]

[Text] Balanga, Bataan -- The military mounted yesterday a full-scale offensive against the New People's Army (NPA) rebels here with the arrival of about 300 troops of the newly created Mt Samat Task Force. Brig Gen Angel Napua, Central Luzon regional unified command acting commander, and Col Korenso Rapanan, 3rd PC-INP [Philippine Constabulary-Integrated National Police] regional commander, organized the task force after the NPA destroyed 26 power transmission towers and attacked a PC detachment in Pilar town three weeks ago.

The Mt Samat Task Force is headed by Col Lorenzo Mateo, 3rd PC-INP deputy regional commander. Its members include men of the 5th Army Infantry division, eight Marine battalions, Air Force Security Unit, Bataan PC-INP command, Coast Guard, Navy, Military Security Unit, and Regional Special Action Company. The arrival of the 300 soldiers brought to 450 the number of military men now operating in Bataan.

Six PC soldiers manning the detachment in Pilar were seriously wounded during the NPA attack. One of them later died at the V. Luna Medical Center in Quezon City. Col Jose Andaya, Bataan PC-INP commander, said the National Power Corp transmission towers were destroyed to delay or stop the operations of the nuclear power plant located in Morong town here. Andaya said the towers were part of the nuclear power plant's distribution network.

Colonel Mateo said that aside from checking the activities of the rebels, the task force will also provide tight security to vital private and government installations in Bataan, conduct civic-action projects, and hold dialogues with the people so the military may know their problems and how to solve these. During a meeting, Gov Efren Pascual and other government officials assured the military of their support for the campaign against the rebels.

#### 14 REPORTED KILLED IN DAVAO SKIRMISHES

HK241513 Manila BULLETIN TODAY in English 24 Jul 85 pp 1, 1.

[By Romy Chan]

[Text] Davao City -- Fourteen persons, including seven Constabulary men, were killed in separate encounters with armed men believed to be of the New People's Army (NPA) in Davao del Sur, it was reported yesterday. Seven of those killed were suspected NPA rebels.

Col Patrick Madayag, Davao del Sur provincial commander, reported that a certain Ka Marco, a suspected NPA commander, a woman companion named Marilou, and five other companions were killed in sitios Way and Balaguinot, Jose Abad Santos, last Friday in a 10-hour gun battle. Eight other guerrillas were reported captured.

The slain PC captain was identified as Juanito Sia, commander of the 435th PC [Philippine Constabulary] company based in Davao del Sur. Six of his men were also killed in the attack by a 40-mm armed band in sitio Lida, barangay Bulacan, Malalag, Davao del Sur, at noon Saturday. Sia and his group were on their way to barangay Pitu to check on a reported sighting of armed men in the area when they were ambushed. Colonel Madayag and Col Aliaco of the 46th Infantry Battalion of the Philippine Army and Lt Alex Montenegro of the 434th PC company dispatched soldiers after the rebels. As of yesterday, the soldiers were reported to have surrounded a group of armed men in barangay Pitu.

#### Commentary on Peace Efforts

HK250849 Quezon City Maharlika Broadcasting System in English 0100 GMT 25 Jul 85

["Analysis of the News" by Teodoro Valencia]

[Text] We have very good news on Davao City. It seems that the citizens of Davao are now pointing (right) to help bring about peace during the meeting last Sunday presided by Attorney Jess Dureza, editor of the MINDANAO TIMES, and attended by Monsignor Antonio Mabutas, the bishop of Davao.



The (?theme) was that the peace and order of Davao City will all depend upon the cooperation that the citizens can forge. There will be another meeting this coming Sunday, July 28, this time at the Central Bank building. This time they are going to meet with the sectors that were absent during the last Sunday meeting.

(?Actually), all the various sectors of the Davao populace can participate in bringing about peace and order and, according to Attorney Dureza, he is hoping that the momentum already started can be sustained because that would be the only way by which the people of Davao can once again enjoy peace, and probably put together the broken pieces of their economy now shaken by that welga ng bayan [national strike] which paralyzed Davao completely.

Only now are the people of Davao waking up to the realization that whereas it was fun for the people who put it up -- meaning this demonstration -- the rest of the population suffered irretrievably in that if these things were to continue, there is nothing that awaits all the people of Davao City except hunger and privation.

#### 10 NPA REBELS KILLED IN CAGAYAN CLASHES

HK260643 Manila Far East Broadcasting Company in English 2300 GMT 25 Jul 85

[Text] Twenty [figure as heard] persons were killed and nine others were wounded in four separate encounters between government troopers and NPA rebels in Cagayan yesterday (25 July). Cagayan PC [Philippine Constabulary] commander Colonel Tirso Gador reported to regional commander Brigadier General Tomas Manlongat that the fighting occurred in the towns of Solana, Lal-lo, Sanchez Mira, and Lasam. Col Gador said 10 of the fatalities were communist NPA guerrillas, 5 were PC soldiers and the rest civilians.

Killed in the encounter in Sitio Nagtaranganan in Barangay Centro of Sanchez Miro were Constables Mike Austria, Bernardo Santos, Redentor Dulan, Domingo Maboran, and one unidentified soldier with Task Force Togos. The civilians killed were production manager Benito Dy of a logging firm, his driver, and two others who were not identified. In Lasam some 30 Army troopers fought a 7-hour running battle with some 250 rebels. At least eight NPA rebels were killed. In Lal-lo town, two patients at a clinic were killed and two passengers of a Manila-bound Pantranco bus were wounded when NPA rebels ambushed the bus.

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